

By: Wong

H.B. No. 112

A BILL TO BE ENTITLED

AN ACT

relating to a tax credit for certain corporations for certain purchases that promote healthy living for employees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 171, Tax Code, is amended by adding Subchapter W to read as follows:

SUBCHAPTER W. TAX CREDIT FOR CERTAIN PURCHASES PROMOTING HEALTHY LIVING FOR EMPLOYEES

Sec. 171.921. ENTITLEMENT TO CREDIT. A corporation is entitled to a credit in the amount and under the conditions and limitations provided by this subchapter against the tax imposed under this chapter.

Sec. 171.922. QUALIFICATION. A corporation qualifies for a credit under this subchapter if the corporation:

(1) has fewer than 100 employees or less than \$1 million in annual gross receipts; and

(2) purchases:

(A) a membership in a gym or other similar facility promoting fitness and healthy living for the use of an employee; or

(B) fitness or exercise equipment for the use of its employees.

Sec. 171.923. AMOUNT; LIMITATIONS. (a) The amount of the credit is:

1 (1) for a purchase under Section 171.922(2)(A), the
2 cost of the membership not to exceed \$200 for each employee for whom
3 the membership is purchased; and

4 (2) for a purchase under Section 171.922(2)(B), the
5 cost of the equipment not to exceed \$200 for each employee that has
6 access to the equipment.

7 (b) The credit claimed for each privilege period may not
8 exceed the amount of franchise tax due, before any other applicable
9 tax credits, for the privilege period.

10 (c) A corporation may claim a credit under this subchapter
11 for a purchase made during an accounting period only against the tax
12 owed for the corresponding privilege period.

13 (d) A corporation may not carry over a purchase made during
14 a privilege period to a subsequent privilege period.

15 (e) A corporation may not convey, assign, or transfer a
16 credit under this subchapter to another entity unless all of the
17 assets of the corporation are conveyed, assigned, or transferred in
18 the same transaction.

19 Sec. 171.924. APPLICATION FOR CREDIT. A corporation must
20 apply for a credit under this subchapter on or with the tax report
21 for the period for which the credit is claimed.

22 Sec. 171.925. RULES. The comptroller shall adopt rules
23 necessary to implement this subchapter.

24 SECTION 2. This Act applies only to a tax report originally
25 due on or after the effective date of this Act.

26 SECTION 3. This Act takes effect January 1, 2006.