

By: Ritter

H.B. No. 3249

Substitute the following for H.B. No. 3249:

By: Cook of Navarro

C.S.H.B. No. 3249

A BILL TO BE ENTITLED

AN ACT

relating to the enterprise zone program.

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

SECTION 1. Section 2303.4072, Government Code, is amended to read as follows:

Sec. 2303.4072. ENTERPRISE PROJECT CLAIM FOR STATE BENEFIT.

A person must make a claim to the comptroller for a state benefit as prescribed under this chapter and Chapters 151 and 171, Tax Code, not later than six [~~18~~] months after the date on which the term of the enterprise project designation expires as provided by Section 2303.404.

SECTION 2. The heading to Section 2303.504, Government Code, as effective September 1, 2005, is amended to read as follows:

Sec. 2303.504. STATE TAX REFUNDS AND CREDITS; REPORT.

SECTION 3. Sections 2303.504(a) and (c), Government Code, as effective September 1, 2005, are amended to read as follows:

(a) Subject to Section 2303.516, an enterprise project is entitled to:

(1) a refund of state taxes under Section 151.429, Tax Code; and

(2) a franchise tax credit under Subchapter P or Q, Chapter 171, Tax Code.

(c) Not later than the 60th day after the last day of each fiscal year, the comptroller shall report to the bank the statewide

1 total of actual jobs created, actual jobs retained, and the tax  
2 refunds and credits made under this section during that fiscal  
3 year.

4 SECTION 4. Sections 2303.516(b) and (d), Government Code,  
5 are amended to read as follows:

6 (b) The comptroller [~~bank~~] may determine that the business  
7 or project is not entitled to a refund or credit of state taxes  
8 under Section 2303.504(a) if the comptroller [~~bank~~] finds that:

9 (1) the business or project is not willing to  
10 cooperate with the comptroller [~~bank~~] in providing the comptroller  
11 [~~bank~~] with the information the comptroller [~~bank~~] needs to  
12 determine state benefits [~~make the determination under Subsection~~  
13 ~~(a)]~~; or

14 (2) the business or project has substantially failed  
15 to follow through on any commitments made by it or on its behalf  
16 under this chapter.

17 (d) A qualified business may obtain a state benefit, earned  
18 through a specific enterprise project designation, on completion  
19 of:

20 (1) a certification of the project or activity for  
21 completeness that is conducted [~~an audit performed~~] by the  
22 comptroller to verify [~~that will certify~~] hiring commitments of a  
23 qualified business under this chapter;

24 (2) a certification conducted by the comptroller to  
25 verify [~~and~~] eligible purchases of taxable items made by or on  
26 behalf of the [~~a~~] qualified business under this chapter; and

27 (3) a verification of the capital investment for the

1 project or activity, conducted by the comptroller, to determine the  
2 level of benefit achieved by the qualified business.

3 SECTION 5. Section 2303.517, Government Code, is amended to  
4 read as follows:

5 Sec. 2303.517. REPORT. Before obtaining a state benefit,  
6 the qualified business must submit to the comptroller [~~bank~~] a  
7 certified report of the actual number of jobs created or retained  
8 and the capital investment made at or committed to the qualified  
9 business site.

10 SECTION 6. Section 151.429(a), Tax Code, as effective  
11 September 1, 2005, is amended to read as follows:

12 (a) An enterprise project is eligible for a refund in the  
13 amount provided by this section of the taxes imposed by this chapter  
14 on purchases of taxable items[+

15 [~~(1) equipment or machinery sold to an enterprise~~  
16 ~~project for use at the qualified business site,~~

17 [~~(2) building materials sold to an enterprise project~~  
18 ~~for use in remodeling, rehabilitating, or constructing a structure~~  
19 ~~at the qualified business site,~~

20 [~~(3) labor for remodeling, rehabilitating, or~~  
21 ~~constructing a structure by an enterprise project at the qualified~~  
22 ~~business site, and~~

23 [~~(4) electricity and natural gas purchased and~~  
24 ~~consumed in the normal course of business at the qualified business~~  
25 ~~site].~~

26 SECTION 7. Section 171.721(2), Tax Code, is amended to read  
27 as follows:

1           (2) "Strategic investment area" means an area that is  
2 determined by the comptroller under Section 171.726 that is:

3           (A) a county within this state with above state  
4 average unemployment and below state average per capita income;

5           (B) an area within this state that is a federally  
6 designated empowerment zone or renewal community [~~urban enterprise~~  
7 ~~community or an urban enhanced enterprise community~~]; or

8           (C) a defense economic readjustment zone  
9 designated under Chapter 2310, Government Code.

10          SECTION 8. Section 2303.516(c), Government Code, is  
11 repealed.

12          SECTION 9. This Act takes effect September 1, 2005.