

By: Shapleigh

S.B. No. 169

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a refund of state sales and use taxes for certain
3 companies that provide group health benefit plans to their
4 employees.

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

6 SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended
7 by adding Section 151.433 to read as follows:

8 Sec. 151.433. TAX REFUNDS FOR SMALL BUSINESSES THAT PROVIDE
9 GROUP HEALTH BENEFIT PLANS. (a) In this section:

10 (1) "Full-time employee" means an employee in a
11 permanent position who is required to work at least 1,600 hours a
12 year.

13 (2) "Group health benefit plan" has the meaning
14 assigned by Section 171.751.

15 (b) This section applies only to a business that:

16 (1) has 100 or fewer employees;

17 (2) begins to offer a group health benefit plan to
18 full-time employees on or after September 1, 2005; and

19 (3) offers to pay at least 80 percent of the premiums
20 or other charges assessed for employee-only coverage under the
21 plan, regardless of whether an employee may voluntarily waive the
22 coverage.

23 (c) A business described by Subsection (b) is entitled to a
24 refund in the amount allowed by this section of the taxes imposed by

1 this chapter in a calendar year.

2 (d) The amount of the refund a business may claim for a
3 calendar year is equal to the lesser of:

4 (1) the amount of tax the business paid under this
5 chapter during that calendar year; or

6 (2) an amount equal to \$400 for each full-time
7 employee.

8 (e) A business must apply to the comptroller for a refund
9 under this section before or during the calendar year after the year
10 for which the business is entitled to a refund.

11 SECTION 2. This Act takes effect September 1, 2005.