

By: Watson

S.B. No. 1323

A BILL TO BE ENTITLED

AN ACT

relating to the authority of qualified community workforce training centers to receive a state sales and use tax refund for reimbursement of certain expenses.

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

SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.4295 to read as follows:

Sec. 151.4295. REFUND FOR QUALIFIED COMMUNITY WORKFORCE TRAINING CENTER. (a) In this section, "qualified workforce community training center" means an organization that:

(1) specializes in the retail sale of donated items;

(2) provides job training and employment services to individuals with disabilities or other barriers to employment;

(3) uses a majority of its revenues for job training and employment programs that create and foster economic development;

(4) maintains at least a 50 percent ratio of employees who have a disability or other barrier to employment;

(5) operates in at least three counties, has multiple locations and is affiliated with a statewide organization; and

(6) is exempt from federal taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code.

(b) A qualified workforce community training center that

1 constructs new office or retail space or constructs or enlarges a
2 training and rehabilitation center is eligible for a predetermined
3 refund in the amount provided by this section, not to exceed the
4 total taxes collected on the sale of taxable items by the centers
5 affiliated with the statewide organization.

6 (c) The total amount of tax refund that a qualified
7 community workforce training center may receive in a state fiscal
8 year is equal to the lesser of:

9 (1) the total amount the center collected during that
10 state fiscal year on the sales of taxable items;

11 (2) the total amount of the costs of constructing new
12 office and retail space and constructing or enlarging a training
13 and rehabilitation center during that state fiscal year; or

14 (3) \$1 million for each office space, retail space, or
15 training and rehabilitation center construction or enlargement
16 project completed during that state fiscal year.

17 (d) A qualified workforce community training center must
18 submit a refund application for each office space, retail space, or
19 training and rehabilitation center construction or enlargement
20 project in relation to which the center requests a refund. The
21 center must submit the application not later than the 90th day after
22 the date the center begins using the office space, retail space, or
23 training and rehabilitation center.

24 (e) The comptroller shall refund any amount a qualified
25 community workforce training center is eligible to receive under
26 this section not later than the 90th day after the date the
27 comptroller receives the refund application and any information

1 necessary to determine the validity of the application.

2 (f) A qualified community workforce training center may use
3 a refund received under this section only to reimburse the center
4 for the cost of the construction or enlargement project in relation
5 to which the center receives the refund.

6 (g) A refund of taxes under this section is not a refund of
7 taxes erroneously paid and Section 111.064 does not apply.

8 SECTION 2. This Act applies only to an expenditure made by a
9 qualified community workforce training center on or after the
10 effective date of this Act. An expenditure made before the
11 effective date of this Act is governed by the law in effect on that
12 date and that law is continued in effect for that purpose.

13 SECTION 3. This Act takes effect September 1, 2007.