

Amend **CSSB 1569**, house committee printing, on page 10 of the bill, between lines 2 and 3, by inserting the following SECTIONS, appropriately numbered, and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subsection D, Chapter 301, Labor Code, is amended by adding Section 301.068 to read as follows:

Sec. 301.068. MONITORING OF OPERATION OF CERTAIN UNEMPLOYMENT PROGRAMS; REPORT. (a) The commission shall implement a system under which the commission monitors the operation and effect of:

(1) the use of the alternate base period adopted under Section 201.013(c);

(2) the extension of benefit eligibility for part-time work adopted under Section 207.021;

(3) the extension of benefit eligibility for unemployment based on compliance with certain family obligations adopted under:

(A) Sections 204.022(a)(12) and (14);

(B) Section 207.045(c); and

(C) Section 207.046(a); and

(4) the application of the definition of "last work" under Section 208.002.

(b) The commission shall:

(1) determine the costs and benefits to the operation of the unemployment compensation system of this state that are directly attributable to the implementation of the unemployment compensation programs described by Subsection (a); and

(2) if the total costs computed under Subdivision (1) exceed \$550 million, report annually to each employer any additional contributions required to be paid by the employer under Chapter 204 that are directly attributable to the implementation of the unemployment compensation programs described by Subsection (a).

(c) The commission shall adopt rules as necessary to implement this section.

SECTION _____. Effective January 1, 2010, Chapter 171, Tax Code, is amended by adding Subchapter T-1 to read as follows:

SUBCHAPTER T-1. TAX CREDIT FOR CERTAIN UNEMPLOYMENT COMPENSATION
PROGRAM CONTRIBUTIONS

Sec. 171.881. ENTITLEMENT TO CREDIT. A taxable entity 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. 171.882. QUALIFICATION. A taxable entity qualifies for a credit under this subchapter if the taxable entity pays additional contributions required under Chapter 204, Labor Code, that are attributable to the implementation of an unemployment compensation program described by Section 301.068(a), Labor Code.

Sec. 171.883. AMOUNT; LIMITATIONS. (a) The amount of the credit under this subchapter is equal to the amount the Texas Workforce Commission reports to the taxable entity under Section 301.068(b), Labor Code, as additional contributions required to be paid that are directly attributable to the implementation of an unemployment compensation program described by Section 301.068(a), Labor Code.

(b) The total credit claimed for a report, including the amount of any carryforward under Section 171.884, may not exceed the amount of franchise tax due for the report after any other applicable tax credits.

(c) A taxable entity may not convey, assign, or transfer a credit under this subchapter to another entity unless all of the assets of the taxable entity are conveyed, assigned, or transferred in the same transaction.

Sec. 171.884. CARRYFORWARD. (a) If a taxable entity is eligible for a credit that exceeds the limitation under Section 171.883(b), the taxable entity may carry the unused credit forward for not more than five consecutive reports.

(b) A carryforward is considered the remaining portion of a credit that cannot be claimed in the current year because of the limitation under Section 171.883(b). A carryforward is added to the next year's credit in determining whether the limitation is met for that year. A credit carryforward from a previous report is considered to be used before the current year credit.

Sec. 171.885. APPLICATION FOR CREDIT. A taxable entity

must apply for a credit under this subchapter on or with the report for the period for which the credit is claimed.

Sec. 171.886. RULES. The comptroller shall adopt rules necessary to implement this subchapter.

SECTION _____. Subchapter T-1, Chapter 171, Tax Code, as added by this Act, applies only to a report under Chapter 171, Tax Code, originally due on or after January 1, 2010.