

By: Shapleigh

S.B. No. 190

A BILL TO BE ENTITLED

AN ACT

relating to a sales and use tax rebate for certain low-income families.

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

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

SUBCHAPTER N. WORKING FAMILIES TAX REBATE

Sec. 151.851. ENTITLEMENT TO REBATE. Subject to Section 151.854, a person is entitled to a rebate in the amount and under the conditions provided by this subchapter for sales and use taxes paid under this chapter if:

(1) the person's address listed on the person's most recent federal income tax return is in this state;

(2) the person was a resident of this state for at least 180 days of the most recent federal income tax year or, if the person is married and jointly filed a federal income tax return with the person's spouse for the most recent federal income tax year, the person's spouse was a resident of this state for at least 180 days of that year; and

(3) the person received a federal earned income tax credit authorized by Section 32, Internal Revenue Code of 1986, for the most recent federal income tax year.

Sec. 151.852. AMOUNT. The amount of the rebate under this subchapter is equal to 10 percent of the amount of the federal

1 earned income tax credit a person received for the most recent  
2 federal income tax year.

3 Sec. 151.853. APPLICATION FOR REBATE. A person must apply  
4 for a rebate under this subchapter not later than December 31 of the  
5 year following the federal income tax year for which the person  
6 received the federal earned income tax credit. The application  
7 must be in the form and manner specified by the comptroller and  
8 include any information the comptroller determines to be necessary  
9 to administer this subchapter.

10 Sec. 151.854. ALLOCATION BETWEEN CERTAIN PERSONS. (a)  
11 Subject to Subsection (b), if a person who is otherwise entitled to  
12 a rebate under this subchapter jointly filed a federal income tax  
13 return for the most recent federal income tax year with the person's  
14 spouse, the persons who filed the joint return shall:

15 (1) apply for and jointly receive the rebate; or  
16 (2) choose which of them will apply for and receive the  
17 rebate.

18 (b) The comptroller shall determine the allocation of a  
19 rebate between two persons who filed a joint federal income tax  
20 return as described by Subsection (a) if those persons cannot agree  
21 to an option provided by that subsection. The comptroller's  
22 allocation determination is final.

23 Sec. 151.855. VERIFICATION OF ELIGIBILITY. On receipt of  
24 an application under this subchapter, the comptroller shall verify  
25 that the applicant is eligible for the rebate based on:

26 (1) information provided by the applicant; and  
27 (2) if necessary, other information available to the

1 comptroller, including information provided by the Internal  
2 Revenue Service.

3 Sec. 151.856. PAYMENT OF REBATE. (a) The comptroller shall  
4 pay a rebate under this subchapter by any means the comptroller  
5 determines appropriate, including by electronic funds transfer.

6 (b) A rebate paid under this subchapter is not a refund of  
7 taxes erroneously paid, and Section 111.064, Tax Code, does not  
8 apply.

9 Sec. 151.857. INFORMATION ON AVAILABILITY OF REBATE. (a)  
10 The comptroller may contact persons who, based on information  
11 obtained from the Internal Revenue Service, are likely to be  
12 eligible for the rebate under this subchapter to inform those  
13 persons of the availability of and eligibility criteria for the  
14 rebate. The comptroller shall comply with Internal Revenue Service  
15 requirements and limitations regarding the use of information  
16 obtained from the service.

17 (b) The comptroller, in cooperation with other appropriate  
18 state agencies and public and private entities, may implement a  
19 public information campaign to promote the rebate under this  
20 subchapter.

21 Sec. 151.858. RULES. The comptroller shall adopt rules  
22 necessary to implement this subchapter, including easy and simple  
23 methods by which a person may file an application under Section  
24 151.853. The rules may allow for electronic filing of the  
25 application but must specify at least one other filing method.

26 SECTION 2. The comptroller shall adopt the rules required  
27 by Section 151.858, Tax Code, as added by this Act, not later than

1 December 1, 2009.

2 SECTION 3. A person may file an application for a rebate  
3 under Subchapter N, Chapter 151, Tax Code, as added by this Act, on  
4 or after January 1, 2010.

5 SECTION 4. This Act takes effect September 1, 2009.