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S.B. No. 732

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to a franchise tax credit for employers that allow  
3 employees to telecommute.

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

5 SECTION 1. Chapter 171, Tax Code, is amended by adding  
6 Subchapter K to read as follows:

7 SUBCHAPTER K. TAX CREDIT FOR EMPLOYERS WITH CERTAIN TELECOMMUTING  
8 EMPLOYEES

9 Sec. 171.601. DEFINITIONS. In this subchapter:

10 (1) "Qualified employee" means a person who:

11 (A) has a written agreement with a taxable entity  
12 that is the person's employer defining the duties of the taxable  
13 entity and person with respect to a job allowing the person to  
14 telecommute;

15 (B) has a predetermined schedule with the taxable  
16 entity of when the person will telecommute; and

17 (C) telecommutes at least 24 hours in a work  
18 week.

19 (2) "Telecommute" means using telecommunications  
20 technology to work from an employee's residence.

21 Sec. 171.602. ELIGIBILITY. A taxable entity is eligible  
22 for a credit against the tax imposed under this chapter for a period  
23 in the amount and under the conditions provided by this subchapter.

24 Sec. 171.603. COMPUTATION OF CREDIT; LIMITATIONS. (a)

1 Except as provided by Subsection (b), the total amount of the credit  
2 to which a taxable entity is entitled under this subchapter for a  
3 period is computed by:

4 (1) determining the total number of qualified  
5 employees the taxable entity had each week in a period; and

6 (2) multiplying the result of Subdivision (1) by \$25.

7 (b) The total credit claimed under this subchapter for a  
8 period may not exceed the total amount of franchise tax due for the  
9 report after any other applicable tax credits.

10 Sec. 171.604. APPLICATION FOR CREDIT. (a) A taxable entity  
11 must apply for a credit under this subchapter on or with the tax  
12 report for the period for which the credit is claimed.

13 (b) The comptroller shall adopt a form for the application  
14 for the credit. A taxable entity must use this form in applying for  
15 the credit.

16 SECTION 2. This Act applies only to a report originally due  
17 on or after the effective date of this Act.

18 SECTION 3. This Act takes effect January 1, 2010.