

By: Torres

H.B. No. 2171

A BILL TO BE ENTITLED

AN ACT

relating to a franchise tax credit for the employment of persons with a disability or veterans of the United States armed forces.

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

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

SUBCHAPTER L. TAX CREDIT FOR EMPLOYMENT OF PERSONS WITH A
DISABILITY AND VETERANS

Sec. 171.651. DEFINITION. In this chapter, "disability" means a physical or mental impairment that substantially limits one or more major life activities.

Sec. 171.652. 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. 171.653. QUALIFICATION. A taxable entity qualifies for a credit under this subchapter for each employee who:

(1) is originally hired for a position located or based in this state;

(2) at the time of being hired, has a disability or is a veteran of the armed forces of the United States;

(3) remains continuously employed with the entity in a position located or based in this state for a period of at least six months;

1 (4) works an average of at least 40 hours a week; and
2 (5) receives the same benefits as the employer's other
3 workers.

4 Sec. 171.654. AMOUNT; LIMITATIONS. (a) The amount of the
5 credit under this subchapter is \$500 for each employee described by
6 Section 171.653. A taxable entity may claim the credit only one
7 time for each employee and may not claim the credit for the same
8 employee in more than one report.

9 (b) The total credit claimed for a report may not exceed the
10 amount of franchise tax due for the report before any other
11 applicable tax credits.

12 Sec. 171.655. APPLICATION FOR CREDIT. A taxable entity
13 must apply for a credit under this subchapter on or with the report
14 for the period for which the credit is claimed.

15 Sec. 171.656. RULES. The comptroller shall adopt rules
16 necessary to implement this subchapter.

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

19 SECTION 3. This Act takes effect January 1, 2012.