

By: Davis of Harris

H.B. No. 605

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a franchise tax credit for taxable entities that pay  
3 employees during jury selection or jury service.

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 T to read as follows:

7 SUBCHAPTER T. TAX CREDIT FOR PAYING EMPLOYEE ABSENT FOR JURY

8 SELECTION OR JURY SERVICE

9 Sec. 171.951. ENTITLEMENT TO CREDIT. A taxable entity is  
10 entitled to a credit in the amount and under the conditions and  
11 limitations provided by this subchapter against the tax imposed  
12 under this chapter.

13 Sec. 171.952. QUALIFICATION. A taxable entity qualifies  
14 for a credit under this subchapter if the taxable entity pays at  
15 least one employee the employee's regular salary or regular daily  
16 wage for:

17 (1) each day or fraction of each day the employee is  
18 absent from work to attend jury selection or jury service if the  
19 employee is absent five days or less; or

20 (2) at least five days if the employee is absent from  
21 work more than five days to attend jury selection or jury service.

22 Sec. 171.953. AMOUNT; LIMITATIONS. (a) The amount of the  
23 credit is equal to 15 percent of the amount of franchise tax due,  
24 after any other applicable tax credits, for the privilege period.

1       (b) A taxable entity may claim a credit under this  
2 subchapter against the tax owed for a privilege period only if the  
3 first day of an employee's period of absence qualifying under  
4 Section 171.952 is during the privilege period. A taxable entity  
5 may not claim a credit under this subchapter against the tax owed  
6 for more than one privilege period for any period of absence  
7 described by Section 171.952.

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

12       Sec. 171.954. APPLICATION FOR CREDIT. A taxable entity  
13 must apply for a credit under this subchapter on or with the tax  
14 report for the period for which the credit is claimed.

15       Sec. 171.955. 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, 2016.