

By: Guillen

H.B. No. 3507

A BILL TO BE ENTITLED

1 AN ACT

2 relating to providing a sales and use tax refund or franchise tax  
3 credit for businesses that employ former offenders.

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

5 SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended  
6 by adding Section 151.4292 to read as follows:

7 Sec. 151.4292. TAX REFUND FOR EMPLOYERS WHO HIRE FORMER  
8 OFFENDERS. (a) In this section, "former offender" means a person  
9 who:

10 (1) received a sentence that included imprisonment;

11 and

12 (2) was subsequently released from the imprisonment,  
13 including a release on parole or to mandatory supervision and a  
14 release following discharge of the defendant's sentence.

15 (b) Except as provided by Subsection (c), a person is  
16 eligible for a refund of 15 percent of the taxes paid under this  
17 chapter during a reporting period if the person employs at least one  
18 former offender in a full-time employment position located or based  
19 in this state during that entire reporting period.

20 (c) A person is not eligible for a refund under this section  
21 during a reporting period if the person will, as a taxable entity as  
22 defined by Section 171.0002 or as a member of a combined group that  
23 is a taxable entity, claim a credit under Subchapter P, Chapter 171,  
24 on a franchise tax report covering that reporting period.

1       (d) A person must apply to the comptroller to receive a  
2 refund under this section.

3       SECTION 2. Chapter 171, Tax Code, is amended by adding  
4 Subchapter P to read as follows:

5       SUBCHAPTER P. TAX CREDIT FOR EMPLOYERS WHO HIRE FORMER OFFENDERS

6       Sec. 171.801. DEFINITIONS. In this subchapter, "former  
7 offender" means a person who:

8               (1) received a sentence that included imprisonment;  
9 and

10               (2) was subsequently released from the imprisonment,  
11 including a release on parole or to mandatory supervision and a  
12 release following discharge of the defendant's sentence.

13       Sec. 171.802. ENTITLEMENT TO CREDIT. A taxable entity is  
14 entitled to a credit in the amount and under the conditions provided  
15 by this subchapter against the tax imposed under this chapter.

16       Sec. 171.803. QUALIFICATION. A taxable entity qualifies  
17 for a credit under this subchapter if the taxable entity employs at  
18 least one former offender in a full-time employment position  
19 located or based in this state during the entire period on which the  
20 report is based.

21       Sec. 171.804. INELIGIBILITY FOR CREDIT FOR CERTAIN PERIODS.  
22 A taxable entity is not eligible for a credit on a report if the  
23 taxable entity, or a member of the combined group if the taxable  
24 entity is a combined group, received an exemption under Section  
25 151.4292 during the period on which the report is based.

26       Sec. 171.805. AMOUNT; LIMITATIONS. The amount of the  
27 credit under this subchapter is equal to 15 percent of the amount of

1 franchise tax due for the report after the application of any other  
2 applicable tax credits.

3 Sec. 171.806. APPLICATION FOR CREDIT. (a) A taxable entity  
4 must apply for a credit under this subchapter on or with the tax  
5 report for the period for which the credit is claimed.

6 (b) The comptroller shall promulgate a form for the  
7 application for the credit. A taxable entity must use the form in  
8 applying for the credit.

9 Sec. 171.807. PERIOD FOR WHICH CREDIT MAY BE CLAIMED. A  
10 taxable entity may claim a credit under this subchapter against the  
11 tax owed for a privilege period only in connection with the  
12 employment of a former offender during that period.

13 SECTION 3. Subchapter P, Chapter 171, Tax Code, as added by  
14 this Act, applies only to a report originally due on or after the  
15 effective date of this Act.

16 SECTION 4. This Act takes effect January 1, 2016.