

By: West

S.B. No. 1248

A BILL TO BE ENTITLED

AN ACT

relating to a franchise tax credit for entities that employ certain students in certain paid internship or similar programs.

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

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

SUBCHAPTER O. TAX CREDIT FOR PAID INTERNSHIPS GIVEN TO CERTAIN HIGH SCHOOL STUDENTS

Sec. 171.801. DEFINITIONS. In this subchapter:

(1) "Commission" means the Texas Workforce Commission.

(2) "Eligible internship program" means a paid internship or similar program that:

(A) meets the requirements of rules adopted by the commission under Section 171.806; and

(B) is part of:

(i) the curriculum requirements for an endorsement under Section 28.025(c-1), Education Code; or

(ii) a course of study in a nontraditional secondary education that is substantially similar, under rules adopted by the commissioner of education under Section 171.805, to the curriculum requirements described by Subparagraph (i).

(3) "Eligible student" means a high school student who has reached the minimum age required under Chapter 51, Labor Code,

1 to legally work in the eligible internship program.

2 (4) "Nontraditional secondary education" means a
3 course of study at the secondary school level in a nonaccredited
4 private school setting, including a home school.

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

8 Sec. 171.803. QUALIFICATION. A taxable entity qualifies
9 for a credit under this subchapter for each eligible student who
10 completes an eligible internship program offered by the taxable
11 entity.

12 Sec. 171.804. AMOUNT; LIMITATIONS. (a) The amount of the
13 credit is \$1,000 for each eligible student who completes an
14 eligible internship program offered by the taxable entity.

15 (b) A taxable entity may claim the credit only for an
16 eligible internship program offered by the taxable entity that is
17 located or based in this state.

18 Sec. 171.805. COMMISSIONER OF EDUCATION RULES. The
19 commissioner of education shall adopt rules to determine, for a
20 student receiving a nontraditional secondary education, if the
21 student's course of study is substantially similar to the
22 curriculum requirements for an endorsement described by Section
23 [28.025\(c-1\)](#), Education Code.

24 Sec. 171.806. COMMISSION RULES. The commission shall adopt
25 rules providing the requirements that an internship or similar
26 program must meet to be considered an eligible internship program
27 under this subchapter.

1 Sec. 171.807. APPLICATION FOR CREDIT. (a) A taxable entity
2 must apply for a credit under this subchapter on or with the tax
3 report for the period for which the credit is claimed.

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

7 Sec. 171.808. PERIOD FOR WHICH CREDIT MAY BE CLAIMED. A
8 taxable entity may claim a credit under this subchapter against the
9 tax owed for a privilege period only in connection with an eligible
10 student who completes an eligible internship program during the
11 privilege period.

12 SECTION 2. A taxable entity may claim the credit under
13 Subchapter O, Chapter 171, Tax Code, as added by this Act, only in
14 connection with an eligible student who completes an eligible
15 internship program on or after the effective date of this Act and
16 only on a franchise tax report due under Chapter 171, Tax Code, on
17 or after January 1, 2016.

18 SECTION 3. This Act takes effect January 1, 2016.