

By: Guillen

H.B. No. 86

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

(1) received a sentence that included imprisonment; and

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

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

(c) A person is not eligible for a refund under this section during a reporting period if the person will, as a taxable entity as defined by Section 171.0002 or as a member of a combined group that is a taxable entity, claim a credit under Subchapter O-1, Chapter 171, 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 O-1 to read as follows:

5 SUBCHAPTER O-1. TAX CREDIT FOR EMPLOYERS WHO HIRE FORMER OFFENDERS

6 Sec. 171.781. DEFINITION. 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. 171.782. 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. 171.783. 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. 171.784. 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, for taxes paid under Chapter
25 151 during the period on which the report is based, a refund under
26 Section 151.4292.

27 Sec. 171.785. AMOUNT; LIMITATIONS. The amount of the

1 credit under this subchapter is equal to 15 percent of the amount of
2 franchise tax due for the report after the application of all other
3 applicable tax credits.

4 Sec. 171.786. APPLICATION FOR CREDIT. (a) A taxable entity
5 must apply for a credit under this subchapter on or with the tax
6 report for the period for which the credit is claimed.

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

10 Sec. 171.787. PERIOD FOR WHICH CREDIT MAY BE CLAIMED. A
11 taxable entity may claim a credit under this subchapter on a report
12 only in connection with the employment of a former offender during
13 the accounting period on which the report is based.

14 SECTION 3. Subchapter O-1, Chapter 171, Tax Code, as added
15 by this Act, applies only to a report originally due on or after the
16 effective date of this Act.

17 SECTION 4. This Act takes effect January 1, 2018.