

By: Kuempel

H.B. No. 3208

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 persons with disabilities.

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 151.4293 to read as follows:

7 Sec. 151.4293. TAX REFUND FOR EMPLOYERS WHO HIRE PERSONS  
8 WITH DISABILITIES. (a) In this section, "person with a disability"  
9 means a person who, at the time of being hired, is at least 18 years  
10 of age but not older than 62 years of age and:

11 (1) has a disability as defined by 42 U.S.C. Section  
12 12102;

13 (2) receives Supplemental Security Income (SSI)  
14 benefits under 42 U.S.C. Section 1381 et seq. on the basis of  
15 disability or blindness or Social Security Disability Insurance  
16 (SSDI) benefits under 42 U.S.C. Section 401 et seq.;

17 (3) qualifies for or is receiving vocational  
18 rehabilitation services provided through the Texas Workforce  
19 Commission;

20 (4) is a veteran as defined by 38 U.S.C. Section 101  
21 who has suffered at least a 50 percent service-connected disability  
22 as defined by that section; or

23 (5) completes an affidavit that:

24 (A) includes:

1                   (i) the person's full name;

2                   (ii) the person's address;

3                   (iii) a copy of the person's driver's  
4 license, election identification certificate, or personal  
5 identification card issued by the Department of Public Safety; and

6                   (iv) the person's signature; and

7                   (B) is accompanied by a letter from a physician  
8 that verifies the person's disability.

9                   (b) Except as provided by Subsection (c), a person is  
10 eligible for a refund of 15 percent of the taxes imposed on taxable  
11 items purchased by the person and paid under this chapter during a  
12 calendar year if during that entire year at least 10 percent of the  
13 person's employees were persons with disabilities and were employed  
14 in full-time employment positions that paid at least minimum wage  
15 and that were located or based in this state.

16                   (c) A person is not eligible for a refund under this section  
17 for a calendar year if the person will, as a taxable entity as  
18 defined by Section [171.0002](#) or as a member of a combined group that  
19 is a taxable entity, claim a credit under Subchapter K-1, Chapter  
20 [171](#), on a franchise tax report covering any portion of that year.

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

23                   SECTION 2. Chapter [171](#), Tax Code, is amended by adding  
24 Subchapter K-1 to read as follows:

25                   SUBCHAPTER K-1. TAX CREDIT FOR EMPLOYERS WHO HIRE PERSONS WITH  
26                                   DISABILITIES

27                   Sec. 171.571. DEFINITION. In this subchapter, "person with

1 a disability" has the meaning assigned by Section 151.4293.

2 Sec. 171.572. ENTITLEMENT TO CREDIT. A taxable entity is  
3 entitled to a credit in the amount and under the conditions provided  
4 by this subchapter against the tax imposed under this chapter.

5 Sec. 171.573. QUALIFICATION. A taxable entity qualifies  
6 for a credit under this subchapter on a report if during the entire  
7 period on which the report is based at least 10 percent of the  
8 taxable entity's employees were persons with disabilities and were  
9 employed in full-time employment positions that paid at least  
10 minimum wage and that were located or based in this state.

11 Sec. 171.574. INELIGIBILITY FOR CREDIT FOR CERTAIN PERIODS.  
12 A taxable entity is not eligible for a credit on a report if the  
13 taxable entity, or a member of the combined group if the taxable  
14 entity is a combined group, received, for taxes paid under Chapter  
15 151 during any part of the period on which the report is based, a  
16 refund under Section 151.4293.

17 Sec. 171.575. AMOUNT; LIMITATIONS. The amount of the  
18 credit under this subchapter is equal to 15 percent of the amount of  
19 franchise tax due for the report after the application of all other  
20 applicable tax credits.

21 Sec. 171.576. APPLICATION FOR CREDIT. (a) A taxable entity  
22 must apply for a credit under this subchapter on or with the tax  
23 report for the period for which the credit is claimed.

24 (b) The comptroller shall promulgate a form for the  
25 application for the credit. A taxable entity must use the form in  
26 applying for the credit.

27 Sec. 171.577. PERIOD FOR WHICH CREDIT MAY BE CLAIMED. A

1 taxable entity may claim a credit under this subchapter on a report  
2 only in connection with the employment of persons with disabilities  
3 during the accounting period on which the report is based.

4 SECTION 3. Subchapter K-1, Chapter 171, Tax Code, as added  
5 by this Act, applies only to a report originally due on or after the  
6 effective date of this Act.

7 SECTION 4. This Act takes effect January 1, 2020.