

By: Sherman, Sr.

H.B. No. 361

A BILL TO BE ENTITLED

AN ACT

relating to a franchise tax credit for taxable entities that provide paid family care leave.

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

SECTION 1. This Act may be cited as the Family First Act.

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

SUBCHAPTER X. TAX CREDIT FOR PAID FAMILY CARE LEAVE

Sec. 171.9281. DEFINITIONS. In this subchapter:

(1) "Employee" means an individual who performs services for an employer for compensation under an oral or written contract of hire, whether express or implied. The term does not include an independent contractor.

(2) "Infant" means a child younger than one year of age.

Sec. 171.9282. ENTITLEMENT TO CREDIT. A taxable entity is entitled to a credit in the amount and under the conditions provided by this subchapter against the tax imposed under this chapter.

Sec. 171.9283. QUALIFICATION. A taxable entity with an average of not more than 1,500 employees during the period on which the report is based qualifies for a credit under this subchapter if the taxable entity provides paid family care leave to an employee according to a policy adopted by the taxable entity under which an employee is entitled to at least:

1 (1) four weeks of paid leave following giving birth to
2 an infant;

3 (2) two weeks of paid leave following the birth of the
4 employee's infant, if Subdivision (1) does not apply to the
5 employee; and

6 (3) two weeks of paid leave following the adoption of
7 an infant by the employee or placement by the Department of Family
8 and Protective Services of an infant in substitute care with the
9 employee.

10 Sec. 171.9284. AMOUNT OF CREDIT. The amount of the credit
11 for a report is equal to the lesser of:

12 (1) twice the amount of the costs attributable to
13 providing paid family care leave described by Section 171.9283 to
14 employees during the accounting period on which the report is
15 based; or

16 (2) the amount of franchise tax due for the report
17 after applying all other applicable credits.

18 Sec. 171.9285. APPLICATION FOR CREDIT. (a) A taxable
19 entity must apply for a credit under this subchapter on or with the
20 report for the period for which the credit is claimed.

21 (b) The comptroller shall promulgate a form for the
22 application for the credit. A taxable entity must use the form in
23 applying for the credit.

24 Sec. 171.9286. PERIOD FOR WHICH CREDIT MAY BE CLAIMED. A
25 taxable entity may claim a credit under this subchapter for a report
26 only in connection with paid family care leave provided to an
27 employee during the accounting period on which the report is based.

1 Sec. 171.9287. RULES. The comptroller shall adopt rules
2 regarding the manner by which a taxable entity may demonstrate the
3 costs attributable to providing paid family care leave for purposes
4 of Section 171.9284.

5 SECTION 3. This Act applies only to a report originally due
6 on or after the effective date of this Act.

7 SECTION 4. This Act takes effect January 1, 2022.