

AN ACT

relating to a sales and use tax refund pilot program for certain persons who employ apprentices.

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 PILOT PROGRAM FOR CERTAIN PERSONS WHO EMPLOY APPRENTICES. (a) In this section:

(1) "Executive director" means the executive director of the Texas Workforce Commission.

(2) "Qualified apprenticeship" means an apprenticeship program that is:

(A) certified as an industry-recognized apprenticeship program by an entity determined to meet United States Department of Labor criteria; or

(B) registered with the United States Department of Labor and qualified to receive funding provided through the Texas Workforce Commission under Chapter 133, Education Code.

(b) A person is eligible for a refund in the amount and under the conditions provided by this section of the taxes paid under this chapter during a calendar year if the person is certified by the executive director under Subsection (f) and employs at least one apprentice in a qualified apprenticeship position for at least seven months during the calendar year. A person is not considered

1 to be employed in a qualified apprenticeship position for purposes
2 of this section:

3 (1) after the earlier of:

4 (A) the fourth anniversary of employment in the
5 position; or

6 (B) the conclusion of the term of the
7 apprenticeship position; or

8 (2) if the person was employed in another position by
9 the employer immediately before beginning employment in the
10 apprenticeship position.

11 (c) Subject to Subsections (d) and (e), the amount of the
12 refund for a calendar year in connection with each apprentice
13 described by Subsection (b) is \$2,500.

14 (d) The total amount of the refund for a calendar year is
15 equal to the lesser of:

16 (1) the amount allowed under Subsection (c) for the
17 calendar year for each apprentice described by Subsection (b), not
18 to exceed the maximum number of apprentices provided by Subsection
19 (e); or

20 (2) the amount of sales and use taxes paid by the
21 person during the calendar year.

22 (e) The maximum number of apprentices in connection with
23 whom a person may receive a refund in a calendar year is:

24 (1) one; or

25 (2) not more than six if at least half of the
26 apprentices employed are:

27 (A) foster children who have transitioned or are

1 transitioning to independent living, as described in Section
2 264.121, Family Code;

3 (B) military veterans, as defined by Section
4 55.001, Occupations Code;

5 (C) military spouses, as defined by Section
6 55.001, Occupations Code; or

7 (D) women.

8 (f) A person may not apply for a refund under this section
9 unless the executive director certifies that the person is able to
10 employ apprentices in qualified apprenticeships. A person must
11 apply to the executive director to obtain certification. The
12 executive director shall create an application form for the
13 certification.

14 (g) The executive director may certify not more than 100
15 persons under Subsection (f) at any time. If the number of eligible
16 applicants exceeds the limit provided by this subsection, the
17 executive director shall select applicants for certification
18 according to rules adopted under Subsection (h).

19 (h) The executive director shall adopt rules that establish
20 merit-based criteria for selecting persons to certify from among
21 those who apply. The rules must require that the executive director
22 give preference to applicants who:

23 (1) offer qualified apprenticeships in areas of this
24 state that are not designated as metropolitan statistical areas by
25 the United States Office of Management and Budget; and

26 (2) provide training and skills development in
27 emerging or developing occupational fields.

1 (i) The executive director shall issue a certificate to each
2 person certified under Subsection (f). The certificate must
3 confirm that the person is eligible to apply for a refund under this
4 section.

5 (j) A person must apply to the comptroller for a refund
6 under this section. The person must include with the application
7 the certificate issued to the person under Subsection (i) and any
8 other information the comptroller requires.

9 (k) Not later than September 1, 2024, the executive director
10 shall prepare and deliver to the governor, the lieutenant governor,
11 the speaker of the house of representatives, and the presiding
12 officer of each legislative standing committee with primary
13 jurisdiction over taxation a report that evaluates the effect of
14 the pilot program on the employment outcomes and earnings of
15 apprentices with respect to whom refunds are granted under the
16 pilot program under this section. The report must include a
17 recommendation regarding whether the pilot program should be
18 continued, expanded, or terminated.

19 (l) A person who applies for a refund under this section
20 shall provide to the executive director information the executive
21 director requests to prepare the report described by Subsection
22 (k).

23 (m) This section expires December 31, 2026.

24 SECTION 2. A person may apply for a refund under Section
25 151.4292, Tax Code, as added by this Act, only in connection with
26 apprentices first employed on or after the effective date of this
27 Act.

1 SECTION 3. The Texas Workforce Commission and the
2 comptroller of public accounts are required to implement this Act
3 only if the legislature appropriates money specifically for that
4 purpose. If the legislature does not appropriate money
5 specifically for that purpose, the commission and the comptroller
6 may, but are not required to, implement this Act using other
7 appropriations available for the purpose.

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

S.B. No. 1524

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1524 passed the Senate on April 21, 2021, by the following vote: Yeas 27, Nays 4.

Secretary of the Senate

I hereby certify that S.B. No. 1524 passed the House on May 24, 2021, by the following vote: Yeas 103, Nays 38, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor