

By: Hall

S.B. No. 1477

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a franchise tax credit for a taxable entity that
3 participates in the federal electronic verification of employment
4 authorization program.

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

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

8 SUBCHAPTER O. TAX CREDIT FOR PARTICIPATION IN FEDERAL ELECTRONIC
9 VERIFICATION OF EMPLOYMENT AUTHORIZATION PROGRAM

10 Sec. 171.751. DEFINITION. In this subchapter, "E-verify
11 program" has the meaning assigned by Section 673.001, Government
12 Code.

13 Sec. 171.752. 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. 171.753. QUALIFICATION. A taxable entity qualifies
17 for a credit under this subchapter if the taxable entity registers
18 with and participates in the E-verify program to verify employee
19 information for a period of at least 12 consecutive months.

20 Sec. 171.754. AMOUNT OF CREDIT; LIMITATION. (a) The amount
21 of the credit for a report is equal to the amount of franchise tax
22 due for the report after applying all other applicable credits.

23 (b) A taxable entity may not claim more than one credit
24 under this subchapter.

1 Sec. 171.755. APPLICATION FOR CREDIT. (a) A taxable entity
2 must apply for a credit under this subchapter on or with the report
3 for the period for which the credit is claimed.

4 (b) A taxable entity must apply for the credit in the manner
5 prescribed by the comptroller and include with the application any
6 information requested by the comptroller to determine whether the
7 entity qualifies for the credit under this subchapter.

8 Sec. 171.756. RULES. The comptroller shall adopt rules
9 necessary to implement and administer this subchapter.

10 SECTION 2. Subchapter O, Chapter 171, Tax Code, as added by
11 this Act, applies only to a report originally due on or after
12 January 1, 2026.

13 SECTION 3. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2025.