

By: Madden

H.B. No. 2355

A BILL TO BE ENTITLED

AN ACT

relating to a sales and use tax credit or refund for employers of persons who obtain a high school diploma or high school equivalency certificate.

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

SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.434 to read as follows:

Sec. 151.434. TAX CREDITS AND REFUNDS FOR EMPLOYERS OF PERSONS WHO OBTAIN HIGH SCHOOL DIPLOMAS OR HIGH SCHOOL EQUIVALENCY CERTIFICATES. (a) An employer who employs a person who obtains a high school diploma or high school equivalency certificate while employed by that employer is entitled to a credit or refund of taxes paid or collected under this chapter.

(b) An employee in relation to whom a credit or refund is claimed must, at the time the employer provides the assistance described by Subsection (c):

(1) be 18 years of age or older;

(2) be a full-time employee, except as provided by Subsection (c);

(3) not be attending high school full-time;

(4) reside in this state; and

(5) reside legally in the United States.

(c) To be eligible to receive a refund or credit under this section, the employer must have:

1 (1) provided the employee at least two hours of paid
2 time off work every week to allow the employee time to obtain the
3 diploma or certificate; and

4 (2) not cut the employee's pay or other benefits as a
5 result of the reduced work hours.

6 (d) The total amount of a credit or refund under this
7 section for an employer is \$1,500 for each employee who qualifies
8 under Subsection (a), regardless of whether the employee is
9 employed by the employer at the time the employer claims the credit
10 or refund.

11 (e) The employer may elect to receive either a credit or a
12 refund. An employer who claims a credit must claim the credit on the
13 return for the period that ends not later than the first anniversary
14 of the date the employee received the diploma or certificate. An
15 employer who claims a refund must apply to the comptroller for the
16 refund before or during the calendar year following the year in
17 which the employee received the diploma or certificate.

18 (f) The comptroller may require an employer that claims a
19 credit or refund under this section to provide to the comptroller
20 additional documentation necessary to establish that the employer
21 qualifies for the credit or refund.

22 (g) A refund under this section is not a refund of taxes
23 erroneously collected, and Section 111.064 does not apply.

24 (h) The comptroller shall adopt rules necessary to
25 implement this section.

26 SECTION 2. The change in law made by this Act does not
27 affect tax liability accruing before the effective date of this

1 Act. That liability continues in effect as if this Act had not been
2 enacted, and the former law is continued in effect for the
3 collection of taxes due and for civil and criminal enforcement of
4 the liability for those taxes.

5 SECTION 3. This Act takes effect September 1, 2011.