

BILL ANALYSIS

Senate Research Center

S.B. 1548
By: Eltife
Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and capital investment in economically distressed areas of the state.

Local communities must nominate a company as an Enterprise Project to be eligible to participate in the Enterprise Zone Program. Legislation limits allocations to the state and local communities per biennium.

Designated projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created or retained at the qualified business site.

Under Section 2303.003 (Definitions), Government Code, a "qualified employee" means a person who works for a qualified business and performs at least 50 percent of the person's service for the business at the qualified business site. This definition disqualifies those employees working at a business-owned facility outside the enterprise zone. However, it also disqualifies certain employees whose job is transporting goods and services to consumers from the qualified business site, but who do not spend their day working at the facility.

S.B. 1548 amends the definition of "qualified employee" to include business employees who are based out of and report to the enterprise zone qualified business facility, but who are engaged in transporting the company's goods and services, and who would not otherwise meet the 50 percent "at the qualified business site" threshold.

As proposed, S.B. 1548 amends current law relating to the definition of "qualified employee" in an enterprise zone.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subdivision (7), Section 2303.003, Government Code, as follows:

(7) Redefines "qualified employee" to mean a person who:

(A) works for a qualified business and who receives compensation for services performed from which employment taxes are deducted by the qualified business; and

(B) performs at least 50 percent of the person's service for the business at the qualified business site, or, if the person engages in the transportation of goods or services, the person reports to the qualified business site.

SECTION 2. Effective date: upon passage or September 1, 2013.