

## **BILL ANALYSIS**

Senate Research Center

S.B. 1323  
By: Watson  
Finance  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

While economic development initiatives encourage for-profit businesses to locate and expand in Texas, no such initiatives exist for nonprofit training centers to expand current operations and to provide greater outreach to applicable communities. Expansion for these centers often means financial loss to the nonprofit and potential periods of financial instability.

The reimbursement of a portion of the sales taxes collected by workforce training organizations, which have large retail components, may by an appropriate initiative for the state to support those organizations and to promote employment and training opportunities for people who are chronically underserved and underemployed. This initiative may also create new retail stores to increase shopping options for people with low-incomes and new training centers for people to develop skills necessary to go to work and to begin building careers toward self-sufficiency.

As proposed, S.B. 1323 authorizes a qualified community workforce training center to apply for reimbursement, based upon sales tax revenues collected on its sale of donated and new goods, to use toward costs of capital construction, expansion, or renovation for a permanent structure. This bill sets forth certain standards for that reimbursement.

### **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 Subchapter I, Chapter 151, Tax Code, by adding Section 151.4295, as follows:

Sec. 151.4295. REFUND FOR QUALIFIED COMMUNITY WORKFORCE TRAINING CENTER. (a) Defines "qualified workforce community training center."

(b) Provides that a qualified workforce community training center (center) that constructs new office or retail space, or that constructs or enlarges a training and rehabilitation center, is eligible for a predetermined refund in an amount provided by this section (refund), not to exceed the total taxes collected on the sale of taxable items by the centers affiliated with the statewide organization.

(c) Authorizes a center to receive in a state fiscal year a total amount of tax refund equal to the lesser of certain amounts.

(d) Requires a center to submit a refund application for each construction or enlargement project of certain facilities by the center. Requires the center to submit the application within 90 days of the date the center begins using the constructed or enlarged facility.

(e) Requires the comptroller of public accounts to refund any amount a center is eligible to receive under this section within 90 days of the date the comptroller received the application and any information necessary to verify the application.

(f) Authorizes a center to use a refund only to reimburse the cost of the construction or enlargement project for which the center received the refund.

(g) Provides that the refund is not a refund of taxes erroneously paid and that Section 111.064 (Interest on Refund or Credit), Tax Code, does not apply.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.