

1 **CHAPTER 839. APPRENTICESHIP PROGRAMS – ADDITIONAL**

2
3 **SUBCHAPTER A. TAX REFUND PILOT PROGRAM FOR CERTAIN PERSONS WHO**
4 **EMPLOY APPRENTICES**

5 [§839.10. Purpose and Goal](#)

6 [§839.11. Definitions](#)

7 [§839.12. Tax Refund Pilot Program Provisions](#)

8 [§839.13. Eligibility for Persons Employing Apprentices](#)

9 [§839.14. Application for Certification](#)

10 [§839.15. Certification of Eligibility](#)

11 [§839.16. Limitations](#)

12 [§839.17. Tax Refund Pilot Program Expiration](#)

13
14 **SUBCHAPTER B. GRANTS TO FACILITATE PARTICIPATION IN REGISTERED**
15 **APPRENTICESHIP PROGRAMS BY CERTAIN VETERANS AND MILITARY**
16 **PERSONNEL**

17
18 [§839.20. Purpose and Goal](#)

19 [§839.21. Definitions](#)

20 [§839.22. Grants to Facilitate Participation in Registered Apprenticeship Programs](#)

21 [§839.23. Recruitment and Assistance Services](#)

1 **CHAPTER 839. APPRENTICESHIP PROGRAMS – ADDITIONAL**

2
3 **SUBCHAPTER A. TAX REFUND PILOT PROGRAM FOR CERTAIN PERSONS WHO**
4 **EMPLOY APPRENTICES**

5
6 **§839.10. Purpose and Goal.**

- 7
8 (a) The purpose of this subchapter is to establish rules for the Tax Refund Pilot Program
9 in accordance with Texas Tax Code, §151.4292.
10
11 (b) The goal of this subchapter is to implement a tax refund pilot program to provide a
12 sales and use tax refund to certain persons who employ apprentices enrolled in a
13 qualifying apprenticeship, as set forth in Texas Tax Code, §151.4292.
14

15 *The provisions of this §839.10 adopted to be effective October 3, 2022, 47 TexReg 6467*

16
17 [Return to Table of Contents](#)

18
19 **§839.11. Definitions.**

20
21 The following words and terms, when used in this subchapter, shall have the following
22 meanings, unless the context clearly indicates otherwise.
23

- 24 (1) Agency--The unit of state government established under Texas Labor Code,
25 Chapter 301 that is presided over by the Commission and administered by the
26 executive director to operate the integrated workforce development system and
27 administer the unemployment compensation insurance program in this state as
28 established under the Texas Unemployment Compensation Act, Texas Labor
29 Code, Title 4, Subtitle A, as amended. The definition of "Agency" shall apply
30 to all uses of the term in this subchapter.
31
32 (2) Apprentice--A participant in a qualifying apprenticeship as defined in this
33 section.
34
35 (3) Commission--The body of governance of the Texas Workforce Commission
36 composed of three members appointed by the governor as established under
37 Texas Labor Code, §301.002 that includes one representative of labor, one
38 representative of employers, and one representative of the public. The
39 definition of Commission shall apply to all uses of the term in this subchapter.
40
41 (4) Comptroller--The comptroller of public accounts of the State of Texas, as
42 defined under Texas Government Code, Chapter 403.
43
44 (5) Executive director--The individual appointed by the Commission to administer
45 the daily operations of the Agency, which may include an individual delegated

1 by the executive director to perform a specific function on behalf of the
2 executive director.

3
4 (6) Military spouse--A person who is married to a military service member, as
5 defined under Texas Occupations Code, Chapter 55.

6
7 (7) Military veteran--A person who has served on active duty and who was
8 discharged or released from active duty, as defined under Texas Occupations
9 Code, Chapter 55.

10
11 (8) Non-metro area--Any area that is not included in a metropolitan statistical area
12 designated by the United States Office of Management and Budget.

13
14 (9) Person--A "person" is:

15
16 (A) a resident of this state;

17
18 (B) a business entity located in this state;

19
20 (C) a governmental subdivision located in this state; or

21
22 (D) a public or private organization located in this state that is not a state
23 agency.

24
25 (10) Qualifying apprenticeship--An apprenticeship training program registered with
26 United States Department of Labor (DOL) and qualified to receive funding
27 provided through the Agency as set forth in Texas Education Code, Chapter
28 133, or certified as an Industry-Recognized Apprenticeship Program (IRAP)
29 by a Standards Recognition Entity.

30
31 (11) Standards Recognition Entity--A third-party entity recognized by DOL as
32 qualified to recognize apprenticeship programs as IRAPs.

33
34 (12) Transitioning foster youth--A youth who has or is currently transitioning to
35 independent living as described in Texas Family Code, §264.121.

36
37 *The provisions of this §839.11 adopted to be effective October 3, 2022, 47 TexReg 6467*

38
39 [Return to Table of Contents](#)

40
41 **§839.12. Tax Refund Pilot Program Provisions.**

42
43 (a) The Tax Refund Pilot Program for Certain Persons Who Employ Apprentices is
44 jointly carried out by the comptroller, executive director, and the Agency.

- 1 (b) The executive director shall provide certificates to eligible persons, in accordance
2 with §§839.13 - 839.15 of this subchapter (relating to Eligibility for Persons
3 Employing Apprentices; Application for Certification; and Certification of
4 Eligibility). Such certificates must be included by eligible persons who apply for a
5 tax refund with the comptroller in accordance with Texas Tax Code, §151.4292.
6
7 (c) Subject to the limitations in subsection (d) of this section and §839.16(a) of this
8 subchapter (relating to Limitations), the amount of the refund available to eligible
9 persons in a calendar year in connection with each apprentice is \$2,500.
10
11 (d) The total amount an eligible person may be refunded through the Tax Refund Pilot
12 Program in a calendar year shall be equal to the lesser of:
13
14 (1) the amount of sales and use taxes paid by the person during the calendar year;
15 or
16
17 (2) the amount listed in subsection (c) of this section for each eligible apprentice
18 employed.
19

20 *The provisions of this §839.12 adopted to be effective October 3, 2022, 47 TexReg 6467*

21 [Return to Table of Contents](#)

22 **§839.13. Eligibility for Persons Employing Apprentices.**

- 23
24
25
26 (a) A person may apply to the Agency for certification if the person employs at least one
27 apprentice in a qualifying apprenticeship for not less than seven months in the
28 calendar year.
29
30 (b) A person shall not be determined eligible for certification by the executive director
31 for any apprentice first employed prior to January 1, 2022.
32
33 (c) An apprentice is not considered to be employed for purposes of this subchapter:
34
35 (1) after the earlier of:
36
37 (A) the fourth anniversary of employment in the position; or
38
39 (B) the conclusion of the term of the qualifying apprenticeship position; or
40
41 (2) if the apprentice was employed in another position by the employer
42 immediately before beginning employment in the qualifying apprenticeship
43 position.
44

45 *The provisions of this §839.13 adopted to be effective October 3, 2022, 47 TexReg 6467*

1 [Return to Table of Contents](#)

2
3 **§839.14. Application for Certification.**

- 4
- 5 (a) The Agency shall develop an application for certification under the Tax Refund Pilot
- 6 Program.
- 7
- 8 (b) The application shall include such information determined necessary by the
- 9 executive director to certify eligible persons under this subchapter.
- 10
- 11 (c) To be considered for certification under this subchapter by the executive director,
- 12 eligible persons shall submit the application in such manner as required by the
- 13 Agency.
- 14
- 15 (d) Beginning in 2023, the Agency shall accept applications for certification from
- 16 eligible persons employing apprentices between January 1 and December 31 of the
- 17 previous calendar year. Only applications received between January 1 and March 31
- 18 each year shall be accepted by the Agency for the previous calendar year.
- 19

20 *The provisions of this §839.14 adopted to be effective October 3, 2022, 47 TexReg 6467*

21 [Return to Table of Contents](#)

22 **§839.15. Certification of Eligibility.**

- 23
- 24
- 25
- 26 (a) The executive director shall adopt merit-based criteria, described in subsection (b) of
- 27 this section, for the selection of eligible persons. These criteria shall be used if more
- 28 than 100 eligible applicants are received by the Agency in a calendar year.
- 29
- 30 (b) When determining those persons who will be certified in a calendar year from a
- 31 group larger than 100 applicants, the executive director shall give preference to
- 32 applicants who:
- 33
- 34 (1) offer qualifying apprenticeships in non-metro areas of this state; and
- 35
- 36 (2) provide training and skills development in fields defined by the Agency as
- 37 emerging or developing in Texas.
- 38
- 39 (c) In addition to those criteria identified in subsection (b) of this section, the executive
- 40 director may give preference to applicants who:
- 41
- 42 (1) employ at least one apprentice who is included in one or more population
- 43 identified in §839.16(a)(2)(A) - (D) of this subchapter (relating to Limitations);
- 44 and
- 45

1 (2) submit applications for apprentices who have not been previously certified
2 under this section.
3

4 (d) Applications received in accordance with §839.14 of this subchapter (relating to
5 Application for Certification) will be reviewed beginning April 1 through May 31.
6 Persons will be informed of certification or denial of eligibility in a manner
7 determined by the Agency.
8

9 (e) The executive director, or appropriate designated staff, shall issue a report to the
10 comptroller each year on June 1 that identifies each person certified under this
11 subchapter as eligible to apply for the tax refund described in §839.13 of this
12 subchapter (relating to Eligibility for Persons Employing Apprentices). The report
13 shall be delivered in a manner determined by the Agency.
14

15 *The provisions of this §839.15 adopted to be effective October 3, 2022, 47 TexReg 6467*
16

17 [Return to Table of Contents](#)
18

19 **§839.16. Limitations.**
20

21 (a) The maximum number of apprentices employed by a person who may be certified
22 under this subchapter to apply to the comptroller for a tax refund in a calendar year
23 is:

24 (1) one; or
25

26 (2) up to six apprentices, provided at least half of those individuals are:
27

28 (A) transitioning foster youth;
29

30 (B) military veterans;
31

32 (C) military spouses; or
33

34 (D) women.
35

36 (b) The executive director may certify up to 100 persons in a calendar year.
37
38

39 *The provisions of this §839.16 adopted to be effective October 3, 2022, 47 TexReg 6467*
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41 [Return to Table of Contents](#)
42

43 **§839.17. Tax Refund Pilot Program Expiration.**
44

45 Texas Tax Code, §151.4292, Tax Refund Pilot Program for Certain Persons Who Employ
46 Apprentices, expires on December 31, 2026.

1 *The provisions of this §839.17 adopted to be effective October 3, 2022, 47 TexReg 6467*

2
3 [Return to Table of Contents](#)

4
5 **SUBCHAPTER B. GRANTS TO FACILITATE PARTICIPATION IN REGISTERED**
6 **APPRENTICESHIP PROGRAMS BY CERTAIN VETERANS AND MILITARY**
7 **PERSONNEL**

8 **§839.20. Purpose and Goal.**

- 9
10 (a) The purpose of this subchapter is to establish the grant program in Texas Labor
11 Code, §302.00341, Grants to Facilitate Participation in Apprenticeship Training
12 Programs by Certain Veterans and Military Personnel.
13
14 (b) The goal of this subchapter is to establish a program to award grants to facilitate the
15 participation of certain veterans and military personnel in apprenticeship training
16 programs, as set forth in Texas Labor Code, §302.00341.
17

18 *The provisions of this §839.20 adopted to be effective October 3, 2022, 47 TexReg 6468*

19
20 [Return to Table of Contents](#)

21
22 **§839.21. Definitions.**

23
24 The following words and terms, when used in this subchapter, shall have the following
25 meanings.

- 26
27 (1) Active duty--As defined under Texas Occupations Code, Chapter 55, active
28 duty means current full-time military service in the armed forces of the United
29 States or active-duty military service as a member of the Texas military forces,
30 as defined in Texas Government Code, §437.001, or similar military service of
31 another state.
32
33 (2) Agency--The unit of state government established under Texas Labor Code,
34 Chapter 301 that is presided over by the Commission and administered by the
35 executive director to operate the integrated workforce development system and
36 administer the unemployment compensation insurance program in this state as
37 established under the Texas Unemployment Compensation Act, Texas Labor
38 Code, Title 4, Subtitle A, as amended. The definition of "Agency" shall apply
39 to all uses of the term in this subchapter.
40
41 (3) Assistance--Provision of services designed to promote continued participation
42 in a registered apprenticeship program by military veterans or transitioning
43 service members.
44

- 1 (4) Commission--The body of governance of the Texas Workforce Commission
2 composed of three members appointed by the governor as established under
3 Texas Labor Code, §301.002, that includes one representative of labor, one
4 representative of employers, and one representative of the public. The
5 definition of Commission shall apply to all uses of the term in this subchapter.
6
7 (5) Grant recipient--A nonprofit organization that is awarded funding under this
8 subchapter.
9
10 (6) Military veteran--An individual who has served on active duty and who was
11 discharged or released from active duty, as defined under Texas Occupations
12 Code, Chapter 55.
13
14 (7) Nonprofit organization--An organization exempt from federal income taxation
15 under Internal Revenue Code, §501(a), as an organization described by
16 Internal Revenue Code, §501(c)(3).
17
18 (8) Recruitment--Provision of services to promote enrollment in a registered
19 apprenticeship program by military veterans or transitioning service members.
20
21 (9) Registered apprenticeship program--A training program that provides on-the-
22 job training, preparatory instruction, supplementary instruction, or related
23 instruction in a trade that has been certified as an apprenticeable occupation by
24 the United States Department of Labor Office of Apprenticeship, as defined
25 under Texas Education Code, Chapter 133.
26
27 (10) Transitioning service member (TSM)--An individual in active duty status
28 (including separation leave) who is within 24 months of retirement or 12
29 months of separation from military service.
30

31 *The provisions of this §839.21 adopted to be effective October 3, 2022, 47 TexReg 6468*

32
33 [Return to Table of Contents](#)

34
35 **§839.22. Grants to Facilitate Participation in Registered Apprenticeship Programs.**

- 36
37 (a) The Commission may award grants to one or more nonprofit organizations that
38 facilitate the participation in registered apprenticeship programs of military veterans
39 and TSMs.
40
41 (b) A nonprofit organization may apply to the Agency for a grant award under this
42 subchapter. An application, developed by the Agency for the purpose of this
43 subchapter, shall include such information necessary to determine eligibility for such
44 award.
45

- 1 (c) A grant awarded under this subchapter may only be used to recruit or assist veterans
2 who have received an honorable discharge or a general discharge under honorable
3 conditions and TSMs whose statement of service letter indicates an honorable
4 discharge or a general discharge under honorable conditions to participate in a
5 registered apprenticeship program in accordance with §839.23 of this subchapter
6 (relating to Recruitment and Assistance Services).
7
- 8 (d) A grant recipient shall provide such information determined by the Agency to be
9 necessary to determine that the grant funds are used in compliance with subsection
10 (c) of this section. Such information shall be provided in a manner and at a frequency
11 determined by the Agency.
12
- 13 (e) If funds awarded under this subchapter are not used in accordance with subsection
14 (c) of this section, the grant recipient shall be required to repay any funds not used in
15 accordance with subsection (c) of this section.
16

17 *The provisions of this §839.22 adopted to be effective October 3, 2022, 47 TexReg 6468*
18

19 [Return to Table of Contents](#)
20

21 **§839.23. Recruitment and Assistance Services.**
22

- 23 (a) A nonprofit organization that applies under §839.22(b) of this subchapter (relating to
24 Grants to Facilitate Participation in Registered Apprenticeship Programs) shall
25 include cost estimates for services included in this section.
26
- 27 (b) A nonprofit organization shall provide actual costs and receipts for any services
28 included in this section in accordance with §839.22(d) of this subchapter.
29
- 30 (c) Recruitment services, specific to military veterans and TSMs, allowable under this
31 subchapter, may include:
32
- 33 (1) outreach materials and services, which may include flyers, web services, or
34 other promotional services; or
35
- 36 (2) other costs related to recruitment, if such costs are approved by the Agency
37 prior to those costs being incurred.
38
- 39 (d) Assistance services, provided to military veterans and TSMs, allowable under this
40 subchapter, may include:
41
- 42 (1) tuition payments for the education portion of registered apprenticeship
43 programs;
44
- 45 (2) mentoring services;
46

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(3) support services, as set forth in Texas Government Code, §2308.312(c)(6); or

(4) other assistance services, if such costs are approved by the Agency prior to those costs being incurred.

(e) Funds may be used for staffing costs only if:

(1) staff time is dedicated to subsections (c) and (d) of this section; and

(2) such costs do not exceed 15 percent of the total grant awarded under this subchapter.

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[Return to Table of Contents](#)