

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB4038</b>
<b>Version:</b>	<b>SUBPCS1</b>
<b>Request Number:</b>	<b>10222</b>
<b>Author:</b>	<b>Rep. Townley</b>
<b>Date:</b>	<b>2/18/2024</b>
<b>Impact:</b>	<b>Please see previous summary of this measure</b>

**Research Analysis**

The proposed subcommittee substitute for HB4038 creates a temporary income tax credit for wages paid by a qualified manufacturer employer to a employee that was laid off by a qualified manufacturing employer. The credit is equal to 50% of the gross wages paid during a 365 day period, limited to \$12,500 per employee.

The measure also provides a temporary refundable income tax credit for qualified employees to reimburse them for up to \$5000 in commuting expenses to the location of a qualified manufacturing employer. The credit is the number miles traveled, up to 110 miles per day, multiplied by the state mileage reimbursement rate.

Both credits are claimable during tax year 2024 and 2025 for wages paid or travel occurring on or after June 1, 2024. The employee credit is capped at \$7 million per year and limited to \$14 million overall. The employer credit is capped at \$2.5 million per employer and limited to \$35 million overall.

Prepared By: Quyen Do

**Fiscal Analysis**

The measure is currently under review and impact information will be completed.

Prepared By: House Fiscal Staff

**Other Considerations**

None.