
Texas Business Today

Chairman Joe Esparza
Commissioner Representing Employers

January 2026

Texas Employers,

Welcome to the January issue of *Texas Business Today!*

I hope you had a happy and healthy holiday season. As we begin this new year, I would like to take a moment to reflect on the economic success of 2025 and look ahead to the possibilities in 2026.

Gov. Greg Abbott recently released [Texas Economy Triumphs of 2025](#), and not surprisingly, the list is long.

To the employers and workforce leaders who read this newsletter, I hope you know that you are the reason for this success. Small businesses – as well as partners in economic development and education – are the backbone of the Texas economy. Your entrepreneurial spirit and innovation continue to fuel opportunities in the state and attract business on a global scale.

Here are a few highlights showcasing your success.

- Texas was ranked the Best State for Business for the 21st year in a row by Chief Executive magazine.
- Texas won the 2025 Prosperity Cup for attracting new business investments.
- Texas was named the nation's Top Business Climate.
- Texas Instruments hosted a ribbon cutting for a new semiconductor wafer fabrication facility in Sherman.

- Google announced a [\\$40 billion investment](#) in Texas to support cloud and AI infrastructure, marking the company's largest investment in any state.
- Abilene was selected as the first location for the \$500 billion Project Stargate and officially opened last fall.

Thanks to strong leadership at the state level, and a well-trained and supported workforce, Texas has had many accolades over the past year. I encourage you to reach out to TWC for programs and resources to strengthen your business and continue this momentum.

- Joe Esparza



A handwritten signature in black ink, appearing to read 'Joe Esparza'. The signature is stylized with a long horizontal line extending to the right.

Chairman Joe Esparza
Commissioner Representing Employers
Texas Workforce Commission

Texas Business Minute



[Click here to watch the video](#)

Texas Conference for Employers



- February 6: Big Spring - [Sign Up](#)
- March 13: Lubbock - [Sign Up](#)
- March 27: College Station - [Sign Up](#)
- April 17: Baytown - [Sign Up](#)
- May 1: Lancaster - [Sign Up](#)
- May 29: Corpus Christi - [Sign Up](#)
- June 26: Harlingen - [Sign Up](#)
- August 6-7: Waco
- September 18: San Angelo - [Sign Up](#)

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Ringling in the New Year – Considerations for 2026

By: Mario Hernandez

Senior Legal Counsel to Chairman Esparza

As employers in our great state are aware, each new year brings its own set of unique challenges. Since the beginning of the year is often considered a new beginning and a clean slate, employers can take this time to assess their existing policies and implement changes to the workplace to stay in compliance with any new laws.

While not intended to be exhaustive, this article serves to provide employers information about some new laws that went into effect at the beginning of the year and to offer considerations as 2026 commences.

A Change Regarding Initial Claims for Unemployment Benefits

HB 3699 went into effect on January 1, 2026, and is connected to a change in the unemployment claim filing process. One of the requirements for filing an initial claim for unemployment benefits is that claimants must properly name their “last work” on the claim. “Last work” and “person for whom the claimant last worked” are defined in [Sec. 208.002](#) of the Texas Labor Code. HB 3699 revised these definitions to crack down on bad actors trying to improperly receive unemployment benefits. For more information on HB 3699 please visit the following link:

<https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill=HB3699>.

Artificial Intelligence (AI) Regulation in the State

HB 149 went into effect on January 1, 2026, and relates to the regulation of AI in the state. HB 149 establishes a framework for AI regulation in the state and outlines provisions for the use and implementation of AI in Texas. Employers in this space should keep up to date on measures related to AI as this technology continues to

evolve. For more information on HB 149 please visit the following link:

<https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill=HB149>.

Employer Reporting Requirements Under the One, Big, Beautiful Bill (OBBB) Act



Many employers are aware that a couple of the provisions in the OBBB related to no tax on tips and no tax on overtime. The Internal Revenue Service (IRS) has provided information related to reporting requirements for employers regarding no tax on tips and no tax on overtime on its website. For more information on this topic please visit the following links:

<https://www.irs.gov/newsroom/treasury-irs-provide-penalty-relief-for-tax-year-2025-for-information-reporting-on-tips-and-overtime-under-the-one-big-beautiful-bill> and <https://www.irs.gov/newsroom/one-big-beautiful-bill-provisions>.

General Consideration for the New Year: Reviewing Workplace Policies and Procedures

Employers should periodically review their policy handbooks at the workplace to ensure that their policies and procedures align with current laws and regulations. In addition, a review of the policy handbook might reveal certain policies that no longer reflect the vision of the company.


If an update is made to a policy, the employer should ensure that there is a mechanism in place to distribute the new policy to employees. Each employee should sign an acknowledgment of receipt of the new policy.

Conclusion

Every year brings new challenges for employers. However, by staying up to date with changes in the law and periodically reviewing policies and procedures at the workplace, employers will be better situated to start each new year productively.

**Another Week of Available Work:
A Podcast with Chairman Joe Esparza**

National Business Plan Month: A Blueprint for Success

 **Another Week of Available Work**

16 Dec 2025 • 28min



December is National Write a Business Plan Month, and it's a good time to look ahead to success in 2026. We're joined by Jarvis Brewer, your small business advocate, to learn about the many resources available to Texas employers to help grow their company and boost their bottom line.

For more resources, visit gov.texas.gov/business.

[Click here to listen](#)

TEXAS EMPLOYER HOTLINE 1-800-832-9394

Hiring Issues | Medical Leave-Related Laws | Personnel Policies and Handbooks
Independent Contractors and Unemployment Tax Issues | The Unemployment Claims and
Appeals Process | Texas and Federal Wage and Hour Laws



Employer Hotline Hours: M-F, 8am - 5pm

Information provided by employment law attorneys in the Office of the Commissioner Representing Employers at the Texas Workforce Commission

Texas Business Today is provided to employers free of charge

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