

By: Turner

H.B. No. 3487

A BILL TO BE ENTITLED

AN ACT

1
2 relating to certain expenditures by public institutions of higher
3 education and university systems that are eligible for certain tax
4 credits.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. (a) Section 171.9015(b), Tax Code, as effective
7 January 1, 2022, is amended to read as follows:

8 (b) Except as provided by Subsection (c), the depreciation
9 and tax-exempt use provisions of Section 47(c)(2), Internal Revenue
10 Code, do not apply to costs and expenses incurred by an entity
11 exempt from the tax imposed under this chapter by Section 171.063 of
12 this code or by an institution of higher education or university
13 system as defined by Section 61.003, Education Code, and those
14 costs and expenses are eligible costs and expenses if the other
15 provisions of Section 47(c)(2), Internal Revenue Code, are
16 satisfied.

17 (b) Effective January 1, 2031, Section 171.9015(b), Tax
18 Code, as effective January 1, 2022, is amended to read as follows:

19 (b) Except as provided by Subsection (c), the depreciation
20 and tax-exempt use provisions of Section 47(c)(2), Internal Revenue
21 Code, do not apply to costs and expenses incurred by an entity
22 exempt from the tax imposed under this chapter by Section 171.063,
23 and those costs and expenses are eligible costs and expenses if the
24 other provisions of Section 47(c)(2), Internal Revenue Code, are

1 satisfied.

2 SECTION 2. (a) Section 171.9015(b), Tax Code, as amended
3 by Section 1(a) of this Act, applies only to costs and expenses
4 incurred on or after the effective date of this Act.

5 (b) Section 171.9015(b), Tax Code, as amended by Section
6 1(b) of this Act, applies only to costs and expenses incurred on or
7 after January 1, 2031.

8 SECTION 3. This Act takes effect September 1, 2023.