

By: Brimer

S.B. No. 901

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from the franchise tax for certain business activities involving wind energy facilities.

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

SECTION 1. Subchapter B, Chapter 171, Tax Code, is amended by adding Section 171.088 to read as follows:

Sec. 171.088. EXEMPTION--CORPORATION ENGAGED IN BUSINESS INVOLVING WIND ENERGY FACILITY. (a) In this section, "wind energy facility" means a system designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring wind-generated energy.

(b) A corporation is exempted from the franchise tax if it is engaged solely in one or more of the following activities:

(1) planning and constructing a wind energy facility, including the infrastructure necessary to operate the facility or connect the facility to electricity transmission lines;

(2) operating a wind energy facility; or

(3) marketing:

(A) energy created by a wind energy facility;

(B) environmental attributes of a wind energy facility; or

(C) credits created by a wind energy facility for use in a renewable energy credits trading program established under Section 39.904, Utilities Code.

1           SECTION 2. This Act takes effect January 1, 2004, and  
2 applies to a report originally due on or after that date.