

By: Leibowitz

H.B. No. 1288

A BILL TO BE ENTITLED

1 AN ACT

2 relating to reducing the amount of school tax credits authorized by  
3 the Texas Economic Development Act.

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

5 SECTION 1. Section 313.104, Tax Code, is amended to read as  
6 follows:

7 Sec. 313.104. ACTION ON APPLICATION; GRANT OF CREDIT.  
8 Before the 90th day after the date the application for a tax credit  
9 is filed, the governing body of the school district shall:

10 (1) determine the person's eligibility for a tax  
11 credit under this subchapter; and

12 (2) if the person's application is approved, by order  
13 or resolution direct the collector of taxes for the school  
14 district:

15 (A) in the second and subsequent six tax years  
16 that begin after the date the application is approved, to credit  
17 against the taxes imposed on the qualified property by the district  
18 in that year an amount equal to one-seventh of the total amount of  
19 tax credit to which the person is entitled under Section 313.102,  
20 except that the amount of a credit granted in any of those tax years  
21 may not exceed 25 [~~50~~] percent of the total amount of ad valorem  
22 school taxes imposed on the qualified property by the school  
23 district in that tax year; and

24 (B) in the first tax year that begins on or after

1 the date the person's eligibility for the limitation under  
2 Subchapter B or C expires, to credit against the taxes imposed on  
3 the qualified property by the district an amount equal to the  
4 portion of the total amount of tax credit to which the person is  
5 entitled under Section 313.102 that was not credited against the  
6 person's taxes under Paragraph (A) in a tax year covered by  
7 Paragraph (A), except that the amount of a tax credit granted under  
8 this paragraph in any tax year may not exceed 25 percent of the  
9 total amount of ad valorem school taxes imposed on the qualified  
10 property by the school district in that tax year.

11 SECTION 2. The change in law made by this Act applies to a  
12 school tax credit in an ad valorem tax year that begins on or after  
13 January 1, 2006, regardless of whether the taxpayer's application  
14 for the tax credit was approved before, on, or after that date.

15 SECTION 3. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2005.