

By: McCall

H.B. No. 3282

Substitute the following for H.B. No. 3282:

By: Keffer of Eastland

C.S.H.B. No. 3282

A BILL TO BE ENTITLED

AN ACT

relating to a tax credit for donations of certain art to art museums in this state that are open to the public.

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

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

SUBCHAPTER X. TAX CREDIT FOR CERTAIN ART DONATIONS

Sec. 171.941. ENTITLEMENT TO CREDIT. A corporation is entitled to a credit in the amount and under the conditions and limitations provided by this subchapter against the tax imposed under this chapter.

Sec. 171.942. QUALIFICATION. A corporation qualifies for a credit under this subchapter if the corporation donates to an art museum in this state that is open to the public works of art that the museum intends to include in the museum's permanent collection.

Sec. 171.943. AMOUNT; LIMITATIONS. (a) The amount of the credit is equal to the total appraised value of each work of art described by Section 171.942 that is donated during the privilege period.

(b) The credit claimed for each privilege period may not exceed the amount of franchise tax due, before any other applicable tax credits, for the privilege period.

(c) A corporation may claim a credit under this subchapter for an expenditure made during an accounting period only against

1 the tax owed for the corresponding privilege period.

2 (d) A corporation may not carry over an expenditure made
3 during a privilege period to a subsequent privilege period.

4 (e) A corporation may not convey, assign, or transfer a
5 credit under this subchapter to another entity unless all of the
6 assets of the corporation are conveyed, assigned, or transferred in
7 the same transaction.

8 Sec. 171.944. APPLICATION FOR CREDIT. A corporation must
9 apply for a credit under this subchapter on or with the tax report
10 for the period for which the credit is claimed.

11 Sec. 171.945. RULES. The comptroller shall adopt rules
12 necessary to implement this subchapter.

13 SECTION 2. (a) Chapter 251, Tax Code, as added by H.B. No.
14 3, Acts of the 79th Legislature, Regular Session, 2005, is amended
15 by adding Section 251.021 to read as follows:

16 Sec. 251.021. TAX CREDIT FOR CERTAIN ART DONATIONS. (a) A
17 taxable business is entitled to a credit in the amount and under the
18 conditions and limitations provided by this section against the tax
19 imposed under this chapter.

20 (b) A taxable business qualifies for a credit under this
21 section if the business, during a calendar quarter, donates to an
22 art museum in this state that is open to the public works of art that
23 the museum intends to include in the museum's permanent collection.

24 (c) The amount of the credit is equal to the total appraised
25 value of each work of art described by Subsection (b) that is
26 donated during that calendar quarter. The credit claimed for each
27 calendar quarter may not exceed the amount of tax due, before any

1 other applicable tax credits, for the calendar quarter.

2 (d) A taxable business may not carry over an expenditure
3 made during a calendar quarter to a subsequent calendar quarter.

4 (e) A taxable business may not convey, assign, or transfer a
5 credit under this section to another entity unless all of the assets
6 of the business are conveyed, assigned, or transferred in the same
7 transaction.

8 (f) A taxable business must apply for a credit under this
9 section on or with the tax report for the calendar quarter for which
10 the credit is claimed.

11 (g) The comptroller shall adopt rules necessary to
12 implement this section.

13 (b) This section takes effect only if H.B. No. 3 is enacted,
14 becomes law, and adds Chapter 251, Tax Code. If H.B. No. 3 is not
15 enacted, does not become law, or does not add Chapter 251, Tax Code,
16 this section has no effect.

17 SECTION 3. This Act applies only to a tax report originally
18 due on or after the effective date of this Act.

19 SECTION 4. This Act takes effect January 1, 2006.