

## **BILL ANALYSIS**

H.B. 1950  
By: Anderson  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Population growth in Texas is at an all time high, and electricity demands are growing at or above the same pace. Forecasters predict that electrical generating capacity could reach critical levels, and that Texas must increase its energy capacity 63 percent by 2025.

Integrated gasification combined cycle technology is a method of power generation designed to minimize emissions and to get the most efficient use of its resources. For example, in the production process, several useable byproducts from coal gasification are also produced, such as sulfur, slag, and syngas. The development of IGCC technology as an energy alternative should be encouraged and incentivized.

The purpose of H.B. 1950 is to exempt the sale of byproducts from the IGCC process from sales tax.

### **RULEMAKING AUTHORITY**

It is the opinion of the author that this legislation does not expressly grant additional rulemaking to any state office, department, agency, or institution.

### **ANALYSIS**

Section 1. Adds a new section (Section 151.3385) to the Tax Code, which exempts from the sales tax the sale of byproducts of certain electric generating facilities which use integrated gasification combined cycle technology.

Section 2. This Act takes effect September 1, 2007.

### **EFFECTIVE DATE**

This Act takes effect September 1, 2007.