

BILL ANALYSIS

H.B. 3111
By: Cook, Byron
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

This bill is necessary to enhance Texas' best value offerings for selection by the FutureGen Industrial Alliance, Inc., as the host state for a clean coal project. By providing tax relief for certain electric utilities and retail electric providers that purchase electricity from a FutureGen site located in Texas, incentive will be created for purchasing power generated by FutureGen, and will in turn enhance Texas' chances of securing the FutureGen project.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Comptroller of Public Accounts in SECTION 1 of this bill.

ANALYSIS

This bill amends the Tax Code by adding a subchapter entitled "Tax Credit for Purchasing Power from Clean Coal Project in this State." This bill states that a taxable entity is entitled to a credit and states the amount, conditions, and limitations of such a credit. This bill lists the qualifications under which a taxable entity qualifies for a credit under this subchapter. This bill discusses the details of an application for a credit. This bill states that a taxable entity may convey, assign, or transfer a credit under this subchapter to another entity, and that they shall deliver notice to the comptroller of that intention at least 30 days before the conveyance, assignment, or transfer occurs.

This bill clarifies that the subchapter created by this Act expires on the date the FutureGen Industrial Alliance, Inc., loses its qualification as being exempt from federal taxation. This bill also clarifies that this Act applies only to a report originally due on or after the effective date of this Act.

EFFECTIVE DATE

January 1, 2008.