

By: Truitt

H.B. No. 1140

A BILL TO BE ENTITLED

AN ACT

relating to a franchise tax credit for the purchase and installation of solar energy devices connected to an electric transmission or distribution system.

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 PURCHASE AND INSTALLATION OF SOLAR ENERGY DEVICES CONNECTED TO AN ELECTRIC TRANSMISSION OR DISTRIBUTION SYSTEM

Sec. 171.961. DEFINITIONS. In this subchapter:

(1) "Electric cooperative" has the meaning assigned by Section 11.003, Utilities Code.

(2) "Electric utility" has the meaning assigned by Section 31.002, Utilities Code.

(3) "Municipally owned utility" has the meaning assigned by Section 11.003, Utilities Code.

(4) "Retail customer" has the meaning assigned by Section 31.002, Utilities Code.

(5) "Retail electric provider" has the meaning assigned by Section 31.002, Utilities Code.

(6) "Solar energy device" has the meaning assigned by Section 171.107.

Sec. 171.962. ENTITLEMENT TO CREDIT. A taxable entity is

1 entitled to a credit in the amount and under the conditions and
2 limitations provided by this subchapter against the tax imposed
3 under this chapter.

4 Sec. 171.963. QUALIFICATION. A taxable entity that is a
5 retail customer qualifies for a credit under this subchapter if the
6 taxable entity:

7 (1) acquires a solar energy device for the production
8 of power;

9 (2) installs the device in this state on the taxable
10 entity's side of the meter; and

11 (3) connects the device to an electric transmission or
12 distribution system and sells the surplus electricity produced by
13 the device to a retail electric provider or the electric utility,
14 electric cooperative, or municipally owned utility that owns that
15 system.

16 Sec. 171.964. AMOUNT; LIMITATIONS. (a) The amount of the
17 credit under this subchapter is equal to 50 percent of the cost to
18 the taxable entity of acquiring and installing the solar energy
19 device.

20 (b) The total credit claimed for a report may not exceed the
21 amount of franchise tax due for the report before any other
22 applicable tax credits.

23 (c) A taxable entity may not convey, assign, or transfer a
24 credit under this subchapter to another entity unless all of the
25 assets of the taxable entity are conveyed, assigned, or transferred
26 in the same transaction.

27 Sec. 171.965. LENGTH OF CREDIT. A taxable entity must claim

1 the credit under this subchapter in three installments that are as
2 equal as possible over three consecutive reports beginning with the
3 report based on the period during which the taxable entity incurred
4 the cost of acquiring and installing the solar energy device.

5 Sec. 171.966. APPLICATION FOR CREDIT. A taxable entity
6 must apply for a credit under this subchapter on or with the report
7 for the period for which the credit is claimed.

8 Sec. 171.967. RULES. The comptroller shall adopt rules
9 necessary to implement this subchapter.

10 Sec. 171.968. EXPIRATION. (a) This subchapter expires
11 December 31, 2015.

12 (b) The expiration of this subchapter does not affect a
13 credit that was established under this subchapter before the date
14 this subchapter expires. A taxable entity that has any unused
15 credits established under this subchapter may continue to apply
16 those credits on or with each consecutive report until the date the
17 credit would have expired under this subchapter had this subchapter
18 not expired, and this subchapter is continued in effect for the
19 purposes of determining the amount of the credit the taxable entity
20 may claim and the manner in which the taxable entity may claim the
21 credit.

22 SECTION 2. This Act applies only to a report originally due
23 on or after the effective date of this Act.

24 SECTION 3. This Act takes effect January 1, 2010.