

By: Turner of Tarrant

H.B. No. 3955

A BILL TO BE ENTITLED

AN ACT

relating to a franchise tax credit for energy-efficient manufacturing infrastructure.

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

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

SUBCHAPTER L-1. TAX CREDIT FOR ENERGY-EFFICIENT MANUFACTURING INFRASTRUCTURE

Sec. 171.661. DEFINITION. In this subchapter, "energy-efficient manufacturing infrastructure" means machinery or other capital infrastructure used in an energy-efficient manufacturing process to manufacture energy-efficient products.

Sec. 171.662. ELIGIBILITY. (a) A taxable entity is eligible for a credit against the tax imposed under this chapter for a period in the amount and under the conditions provided by this subchapter.

(b) A taxable entity qualifies for a credit under this subchapter for the cost of energy-efficient manufacturing infrastructure if:

(1) the infrastructure is acquired by the taxable entity for use in an energy-efficient manufacturing process to manufacture energy-efficient products; and

(2) the infrastructure is used in this state by the taxable entity.

1 (c) On the request of the comptroller, the taxable entity
2 shall file with the comptroller proof of the energy-efficient
3 nature of the manufacturing process and the products manufactured.

4 Sec. 171.663. AMOUNT. The amount of the credit under this
5 subchapter for a period is equal to the cost of energy-efficient
6 manufacturing infrastructure acquired during the period.

7 Sec. 171.664. LIMITATION. (a) A taxable entity may not
8 claim a credit for a period in an amount that exceeds the lesser of:

- 9 (1) the total amount of tax owed for the period; or
10 (2) the cost of the energy-efficient manufacturing
11 infrastructure, not to exceed a total of \$250,000.

12 (b) A taxable entity may claim a credit under this
13 subchapter for energy-efficient manufacturing infrastructure
14 acquired during a period only against the tax owed for the period.

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

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