

By: McCall

H.B. No. 4030

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 K to read as follows:

SUBCHAPTER K. TAX CREDIT FOR CERTAIN ART DONATIONS

Sec. 171.521. ENTITLEMENT TO CREDIT. A taxable entity 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. 171.522. QUALIFICATION. A taxable entity qualifies for a credit under this subchapter if the taxable entity donates to an art museum in this state that is open to the public a work of art that:

(1) the taxable entity has owned for at least five years; and

(2) the museum intends to include in the museum's permanent collection.

Sec. 171.523. AMOUNT; LIMITATIONS. (a) The amount of the credit is equal to the total appraised value of each work of art described by Section 171.522 that is donated during the privilege period.

(b) The credit claimed for each privilege period may not

1 exceed the amount of franchise tax due, before any other applicable
2 tax credits, for the privilege period.

3 (c) A taxable entity may claim a credit under this
4 subchapter for a donation made during an accounting period only
5 against the tax owed for the corresponding privilege period.

6 (d) A taxable entity may not carry over a credit amount for a
7 donation made during a privilege period to a subsequent privilege
8 period.

9 (e) A taxable entity may not convey, assign, or transfer a
10 credit under this subchapter to another entity unless all of the
11 assets of the taxable entity are conveyed, assigned, or transferred
12 in the same transaction.

13 Sec. 171.524. APPLICATION FOR CREDIT. A taxable entity
14 must apply for a credit under this subchapter on or with the tax
15 report for the period for which the credit is claimed.

16 Sec. 171.525. RULES. The comptroller shall adopt rules
17 necessary to implement this subchapter.

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

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