

1-1 By: Schwertner S.B. No. 1364
 1-2 (In the Senate - Filed March 7, 2013; March 18, 2013, read
 1-3 first time and referred to Committee on Business and Commerce;
 1-4 April 11, 2013, reported favorably by the following vote: Yeas 8,
 1-5 Nays 1; April 11, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15		X		
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the computation of an electric utility's income taxes.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Subsection (a), Section 36.060, Utilities Code,
 1-22 is amended to read as follows:

1-23 (a) If an expense is allowed to be included in utility rates
 1-24 or an investment is included in the utility rate base, the related
 1-25 income tax benefit must be included in the computation of income tax
 1-26 expense to reduce the rates. If an expense is not allowed to be
 1-27 included in utility rates or an investment is not included in the
 1-28 utility rate base, the related income tax benefit may not be
 1-29 included in the computation of income tax expense to reduce the
 1-30 rates. The income tax expense shall be computed using the statutory
 1-31 income tax rates. [Unless it is shown to the satisfaction of the
 1-32 regulatory authority that it was reasonable to choose not to
 1-33 consolidate returns, an electric utility's income taxes shall be
 1-34 computed as though a consolidated return had been filed and the
 1-35 utility had realized its fair share of the savings resulting from
 1-36 that return, if:

1-37 [(1) the utility is a member of an affiliated group
 1-38 eligible to file a consolidated income tax return; and

1-39 [(2) it is advantageous to the utility to do so.]

1-40 SECTION 2. This Act takes effect September 1, 2013.

1-41 * * * * *