

By: Crockett

H.B. No. 3978

A BILL TO BE ENTITLED

AN ACT

relating to a credit against the ad valorem taxes imposed on property on which certain solar energy devices have been installed.

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

SECTION 1. Chapter 31, Tax Code, is amended by adding Section 31.039 to read as follows:

Sec. 31.039. TAX CREDIT FOR SOLAR ENERGY DEVICE ACQUISITION AND INSTALLATION COSTS. (a) In this section, "solar energy device" has the meaning assigned by Section 11.27.

(b) A person who owns real property and installs a solar energy device on the property is entitled to a credit against the taxes imposed on the property by each taxing unit that taxes the property.

(c) The amount of the credit to which a property owner is entitled under this section against the taxes imposed in a tax year on the property by a taxing unit is computed by:

(1) dividing the amount of taxes imposed on the property by the taxing unit by the total amount of taxes imposed on the property by all of the taxing units that tax the property; and

(2) multiplying the amount determined under Subdivision (1) by the lesser of the following amounts:

(A) an amount equal to one-sixth of the total cost incurred by the property owner in acquiring the solar energy device and installing the device on the property; or

1 (B) \$2,500.

2 (d) A property owner may receive a credit under this section
3 against the taxes imposed on the property by a taxing unit until the
4 first tax year after the sixth tax year in which the property owner
5 receives the credit.

6 (e) To receive a credit under this section, a property owner
7 must file an application with the chief appraiser of the appraisal
8 district in which the property is located. The application must
9 include the total cost incurred by the property owner in acquiring
10 and installing the solar energy device.

11 (f) The chief appraiser shall forward a copy of the
12 application to the assessor for each taxing unit that taxes the
13 property. The assessors for the taxing units shall consult with one
14 another as necessary to compute the amount of the credit to be
15 granted by each taxing unit.

16 (g) A credit provided by this section, once allowed, need
17 not be claimed in subsequent years and applies to the property
18 regardless of any subsequent change in ownership of the property.

19 (h) The comptroller shall adopt rules for the
20 administration of this section, including rules prescribing the
21 form of an application for the credit.

22 SECTION 2. This Act applies only to ad valorem taxes imposed
23 for a tax year beginning on or after the effective date of this Act.

24 SECTION 3. This Act takes effect January 1, 2022, but only
25 if the constitutional amendment proposed by the 87th Legislature,
26 Regular Session, 2021, to authorize the legislature to provide for
27 a credit against the ad valorem taxes imposed on property on which a

1 solar energy device has been installed based on the cost of
2 acquiring and installing the device is approved by the voters. If
3 that amendment is not approved by the voters, this Act has no
4 effect.