

A BILL TO BE ENTITLED

AN ACT

relating to a credit against the ad valorem taxes imposed on the property of certain businesses that are required to close by an order, proclamation, or other instrument issued by a state or local official as a result of a disaster.

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

SECTION 1. Chapter 31, Tax Code, is amended by adding Section 31.038 to read as follows:

Sec. 31.038. TAX CREDIT FOR CERTAIN BUSINESSES CLOSED BY OFFICIAL ORDER. (a) In this section:

(1) "Qualifying official order" means an order, proclamation, or other instrument issued by the governor, another official of this state, or the governing body or an official of a political subdivision of this state in response to a disaster.

(2) "Qualifying small business" means a business that:

(A) has fewer than 100 employees;

(B) is required to close by a qualifying official order; and

(C) if not for the qualifying official order, would be capable of engaging in normal business activity during the period the business is required to be closed.

(b) A person who owns property that is reasonably necessary for and used by the person to operate a qualifying small business is entitled to a credit against the taxes imposed in a tax year on the

1 property by each taxing unit that taxes the property.

2 (c) The amount of the credit to which a property owner is
3 entitled under this section against the taxes imposed in a tax year
4 on the property by a taxing unit is computed by multiplying the
5 amount of taxes imposed on the property by the taxing unit by a
6 fraction, the denominator of which is 365 and the numerator of which
7 is the number of days in the preceding tax year the qualifying small
8 business the property is used to operate was closed due to a
9 qualifying official order but would otherwise have been open.

10 (d) A property owner must file an application with the chief
11 appraiser of the appraisal district in which the property is
12 located each year to receive a credit under this section. The
13 application must include an affidavit stating the number of days in
14 the preceding tax year that the qualifying small business the
15 person operates was closed due to a qualifying official order but
16 would otherwise have been open and include any relevant information
17 or documentation required by the application form.

18 (e) The chief appraiser shall forward a copy of the
19 application to the assessor for each taxing unit that taxes the
20 property.

21 (f) The comptroller shall adopt rules for the
22 administration of this section, including rules prescribing the
23 form of an application for a credit.

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

26 SECTION 3. This Act takes effect January 1, 2022, but only
27 if the constitutional amendment proposed by the 87th Legislature,

1 Regular Session, 2021, authorizing the legislature to provide for a
2 credit against the ad valorem taxes imposed on the property of
3 certain businesses that are required to close by an order,
4 proclamation, or other instrument issued by a state or local
5 official as a result of a disaster is approved by the voters. If
6 that amendment is not approved by the voters, this Act has no
7 effect.