

By: Hughes

S.B. No. 1971

A BILL TO BE ENTITLED

AN ACT

relating to imposing a tax on the amount of federal renewable energy production credits received by wind electric generators.

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

SECTION 1. Subtitle E, Title 2, Tax Code, is amended by adding Chapter 165 to read as follows:

CHAPTER 165. TAX ON AMOUNT OF FEDERAL PRODUCTION CREDITS RECEIVED
BY WIND ELECTRIC GENERATORS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 165.001. DEFINITIONS. In this chapter:

(1) "Affiliated power generation company," "electric utility," and "exempt wholesale generator" have the meanings assigned by Section 31.002, Utilities Code.

(2) "Electric cooperative" has the meaning assigned by Section 11.003, Utilities Code.

(3) "Electric generator" includes:

(A) an affiliated power generation company;

(B) an electric utility or electric cooperative that owns or operates for compensation in this state equipment or facilities to generate electricity in this state;

(C) an exempt wholesale generator; and

(D) a power generation company.

(4) "Federal production tax credit" means the renewable energy production credit under Section 45, Internal

1 Revenue Code of 1986.

2 (5) "Power generation company" has the meaning
3 assigned by Section 31.002, Utilities Code, except that the term
4 does not include a distributed natural gas generation facility, as
5 that term is defined by Section 31.002, Utilities Code.

6 SUBCHAPTER B. IMPOSITION AND COLLECTION OF TAX

7 Sec. 165.021. TAX IMPOSED. A tax is imposed on each
8 electric generator in this state that receives a federal production
9 tax credit for which the qualified energy resource is wind.

10 Sec. 165.022. AMOUNT OF TAX. The amount of the tax is equal
11 to the amount of the federal production tax credit received by the
12 electric generator for which the qualified energy resource is wind.

13 Sec. 165.023. REPORT AND PAYMENT OF TAX. (a) Not later
14 than April 15 of each year, an electric generator on whom the tax is
15 imposed shall file with the comptroller a report:

16 (1) stating the amount of the federal production tax
17 credit the electric generator received in the preceding calendar
18 year for which the qualified energy resource is wind; and

19 (2) including any other information required by the
20 comptroller.

21 (b) The electric generator shall send the amount of tax due
22 for the preceding calendar year to the comptroller with the report.

23 Sec. 165.024. RECORDS. An electric generator on whom the
24 tax is imposed shall keep a complete record of:

25 (1) the amount of all federal production tax credits
26 the electric generator receives along with the qualified energy
27 resource; and

1 (2) any other information required by the comptroller.

2 SUBCHAPTER C. DISPOSITION OF PROCEEDS

3 Sec. 165.051. DISPOSITION OF PROCEEDS. The comptroller
4 shall deposit the proceeds from the collection of the tax as
5 follows:

6 (1) 25 percent to the credit of the foundation school
7 fund; and

8 (2) the remainder to the credit of the general revenue
9 fund.

10 SECTION 2. This Act takes effect September 1, 2021.