

By: Hughes

S.B. No. 1993

A BILL TO BE ENTITLED

AN ACT

relating to imposing a tax on the value of tax preferences received by wind and solar 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 164 to read as follows:

CHAPTER 164. TAX ON VALUE OF TAX PREFERENCES RECEIVED BY WIND AND SOLAR ELECTRIC GENERATORS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 164.001. 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) "Power generation company" has the meaning assigned by Section 31.002, Utilities Code, except that the term

1 does not include a distributed natural gas generation facility, as  
2 that term is defined by Section 31.002, Utilities Code.

3 (5) "Renewable energy tax preference" means a credit,  
4 discount, exclusion, exemption, refund, special valuation, special  
5 accounting treatment, special rate, or special method of reporting  
6 authorized by state law that relates to a state or local tax imposed  
7 in this state on electric generators and that is granted in  
8 connection with the generation of electricity using wind or solar  
9 energy, including:

10 (A) a tax abatement under Chapter 312; and

11 (B) a limitation on appraised value of property  
12 under Chapter 313.

13 SUBCHAPTER B. IMPOSITION AND COLLECTION OF TAX

14 Sec. 164.021. TAX IMPOSED. A tax is imposed on each  
15 electric generator in this state that receives a renewable energy  
16 tax preference.

17 Sec. 164.022. AMOUNT OF TAX. The amount of the tax is equal  
18 to 90 percent of the value of all renewable energy tax preferences  
19 an electric generator receives in a calendar year.

20 Sec. 164.023. REPORT AND PAYMENT OF TAX. (a) Not later  
21 than April 15 of each year, an electric generator on whom the tax is  
22 imposed shall file with the comptroller a report:

23 (1) stating the total value of renewable energy tax  
24 preferences the electric generator received in the preceding  
25 calendar year; and

26 (2) including any other information required by the  
27 comptroller.

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

3       Sec. 164.024. RECORDS. An electric generator on whom the  
4 tax is imposed shall keep a complete record of:

5           (1) each renewable energy tax preference the electric  
6 generator receives, including the value of the preference; and

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

8           SUBCHAPTER C. DISPOSITION OF PROCEEDS

9       Sec. 164.051. DISPOSITION AND USE OF PROCEEDS. The  
10 comptroller shall deposit the proceeds from the tax as follows:

11           (1) 25 percent to the credit of the foundation school  
12 fund; and

13           (2) the remainder to the credit of an account in the  
14 general revenue fund administered by the Public Utility Commission  
15 of Texas, which may be appropriated to the commission only for the  
16 purpose of awarding grants or loans for innovation in electric  
17 generation.

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