

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 30, 2021**

**TO:** Honorable Tom Oliverson, Chair, House Committee on Insurance

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4326** by Hefner (Relating to the insurance premium tax credit for the certified rehabilitation of certified historic structures.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Insurance Code by adding Chapter 231, regarding the premium tax credit for rehabilitation of historic structures. The bill would allow certain entities to apply for a credit against premium tax liability for certain costs incurred in the rehabilitation of a historic structure. The total amount of the credit could not exceed 25 percent of the total eligible costs incurred in the rehabilitation. Implementing the provisions of the bill would authorize entities to sell or assign the credit to another entity. Entities could carry the unused credits forward for up to five consecutive tax reports. Entities could not claim both a premium tax credit and franchise tax credit for the same incurred costs.

Under Subchapter S, Chapter 171 of the Tax code, entities are eligible to apply for and claim either a franchise tax credit or premium tax credit for up to 25 percent of the costs incurred in the rehabilitation of a historic structure. As under current law entities are able to claim either a franchise or premium tax credit for 25 percent of eligible rehabilitation costs, this bill would have no fiscal impact unless and until Subchapter S, Chapter 171 of the Tax Code were repealed.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 808 Historical Commission

**LBB Staff:** JMc, AAL, SD, BRI, KK