

BILL ANALYSIS

S.B. 1013
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Texas' historic preservation tax credit puts empty and underutilized buildings back into the state and local tax base. According to the Texas Historical Commission, 355 projects have been completed statewide over the last eight years using this credit. The historic preservation tax credit is currently wholly contained within Chapter 171, Tax Code, and the credit can be taken against either franchise tax or insurance premium tax. Each session, bills are filed seeking to repeal the franchise tax and, if such a bill were to become law, it would also repeal provisions relating to the historic preservation tax credit. S.B. 1013 seeks to preserve this tax credit by transferring applicable provisions from Chapter 171 into a separate chapter.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1013 amends the Tax Code to transfer provisions providing for a franchise tax credit for certified rehabilitation of certified historic structures from the chapter governing the franchise tax to a standalone chapter of the code. The bill includes the following taxes among the taxes against which an entity may apply for a credit for certified rehabilitation of certified historic structures:

- property and casualty insurance premium tax;
- life, health, and accident insurance premium tax;
- title insurance premium tax; and
- reciprocal and interinsurance exchange premium tax.

The bill authorizes an entity that incurs eligible costs and expenses related to the credit and that is subject to one of those premium taxes to claim all or part of the credit against that tax. The bill's provisions expressly do not affect the validity of a tax credit for certified rehabilitation of certified historic structures that accrued before the bill's effective date, and the credit continues in effect as such a credit under the provisions transferred, redesignated, and amended by the bill.

EFFECTIVE DATE

September 1, 2023.