

By: King of Hemphill

H.B. No. 4095

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of a business entity to receive a credit against the ad valorem taxes imposed by a school district on the business entity's property in exchange for donating equipment to the school district to be used in a course that may lead to a commercial driver's license or commercial learner's permit and providing that such a course may satisfy public high school graduation requirements for electives.

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

SECTION 1. Section 28.025(b-17), Education Code, is amended to read as follows:

(b-17) The State Board of Education shall adopt rules to ensure that a student may comply with the curriculum requirements under Subsection (b-1)(6) by successfully completing:

(1) an advanced career and technical course, including a course that may lead to an industry-recognized credential or certificate or an associate degree; or

(2) a course that may lead to a commercial driver's license or commercial learner's permit issued under Chapter 522, Transportation Code.

SECTION 2. Chapter 31, Tax Code, is amended by adding Section 31.038 to read as follows:

Sec. 31.038. TAX CREDIT FOR DONATION TO SUPPORT COURSE RELATED TO COMMERCIAL DRIVER'S LICENSE OR COMMERCIAL LEARNER'S

1 PERMIT. (a) In this section:

2 (1) "Business entity" means a legal entity, including
3 a corporation or partnership, that is formed for the purpose of
4 making a profit.

5 (2) "Principal office" means the location where the
6 decision makers for a business entity conduct the daily affairs of
7 the business.

8 (b) An owner of property is entitled to a credit against the
9 taxes imposed in a tax year on that property by a school district if
10 the owner:

11 (1) is a business entity whose principal office is
12 located in this state; and

13 (2) with the approval of the school district, donates
14 a vehicle or equipment to the school district for use in a course
15 described by Section 28.025(b-17)(2), Education Code.

16 (c) The amount of the credit to which a property owner is
17 entitled under this section against the taxes imposed in a tax year
18 on the property by a school district is equal to the total value of
19 the vehicles or equipment described by Subsection (b) that the
20 property owner donated to the school district during the preceding
21 12-month period.

22 (d) If the amount of the credit to which a property owner is
23 entitled under this section in any tax year exceeds the amount of
24 tax imposed on the property in that tax year by a school district,
25 the excess amount may be carried forward and credited against the
26 taxes imposed in subsequent tax years. A property owner may
27 receive a credit under this section against the taxes imposed by the

1 school district until the earlier of:

2 (1) the first tax year in which the aggregate amount of
3 the credits received equals the value of the donated vehicle or
4 equipment; or

5 (2) the first tax year after the 10th tax year in which
6 the property owner receives the credit.

7 (e) For each year in which the property owner donates a
8 vehicle or equipment to a school district, the property owner must
9 file an application with the chief appraiser of the appraisal
10 district in which the property is located to receive a credit under
11 this section. The application must include an affidavit stating
12 the value of the donations made by the property owner during the
13 preceding 12-month period and include any relevant information or
14 documentation required by the application form.

15 (f) The chief appraiser shall forward a copy of the
16 application to the comptroller. For purposes of determining the
17 amount of the credit, the comptroller shall determine the value of a
18 vehicle or equipment donated under this section. The comptroller
19 may:

20 (1) consider the value submitted by the property owner
21 under Subsection (e); and

22 (2) set the value of the donated vehicle or equipment
23 in an amount the comptroller considers appropriate.

24 (g) The comptroller shall adopt rules for the
25 implementation and administration of this section, including
26 rules:

27 (1) prescribing the form of an application for the

1 credit and specifying the 12-month period during which donations
2 may be used to calculate the credit; and

3 (2) related to determining the value of vehicles and
4 equipment donated under this section.

5 SECTION 3. Section 28.025(b-17), Education Code, as amended
6 by this Act, applies beginning with the 2023-2024 school year.

7 SECTION 4. Section 31.038, Tax Code, as added by this Act,
8 applies only to ad valorem taxes imposed for a tax year beginning on
9 or after the effective date of this Act.

10 SECTION 5. This Act takes effect September 1, 2023.