

BILL ANALYSIS

Senate Research Center
89R13932 BEF-F

H.B. 4044
By: Meyer et al. (Creighton)
Finance
5/19/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2017, the 85th Texas Legislature enacted legislation establishing that certain costs and expenses incurred by public institutions of higher education and university systems are considered eligible costs and expenses for purposes of the Texas Historic Preservation Tax Credit Program. However, that legislation only made such project costs and expenses eligible for the credit if they were incurred before January 1, 2022. H.B. 4044 seeks to address this issue by establishing that certain costs and expenses incurred by such institutions and systems are once again considered eligible costs and expenses for purposes of the tax credit for the certified rehabilitation of certified historic structures.

H.B. 4044 amends current law relating to certain expenditures by public institutions of higher education and university systems that are eligible for certain tax credits.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. (a) Amends Section 172.102(b), Tax Code, as follows:

(b) Provides that, except as provided by Subsection (c) (relating to providing that expenditures by an entity to rehabilitate a structure that is leased to a tax-exempt entity in a disqualified lease are not eligible costs and expenses), the depreciation and tax-exempt use provisions of Section 47(c)(2), Internal Revenue Code, do not apply to costs and expenses incurred by certain entities, including an institution of higher education or university system as defined by Section 61.003 (Definitions), Education Code, and those costs and expenses are eligible costs and expenses if the other provisions of Section 47(c)(2), Internal Revenue Code, are satisfied.

(b) Amends Section 172.102(b), Tax Code, effective January 1, 2035, as follows:

(b) Provides that, except as provided by Subsection (c), the depreciation and tax-exempt use provisions of Section 47(c)(2), Internal Revenue Code, do not apply to costs and expenses incurred by certain entities, not including an institution of higher education or university system as defined by Section 61.003, Education Code, and those costs and expenses are eligible costs and expenses if the other provisions of Section 47(c)(2), Internal Revenue Code, are satisfied.

SECTION 2. (a) Makes application of Section 172.102(b), Tax Code, as amended by Section 1(a) of this Act, prospective.

(b) Makes application of Section 172.102(b), Tax Code, as amended by Section 1(b) of this Act, prospective to January 1, 2035.

SECTION 3. Effective date: September 1, 2025.