89R2744 RDS-D

By:  West S.B. No. 653

A BILL TO BE ENTITLED

AN ACT

relating to a refund of sales and use taxes paid on the purchase or use of building materials used to construct certain subsidized housing.

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

SECTION 1.  Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.4293 to read as follows:

Sec. 151.4293.  REFUND FOR BUILDING MATERIALS USED IN CERTAIN AFFORDABLE HOUSING PROJECTS. (a) In this section, "qualifying affordable housing" means housing:

(1)  that is located in this state;

(2)  the construction of which is subsidized by a federal or state tax credit issued for the purpose of constructing affordable housing; and

(3)  for which the state or federal tax credit described by Subdivision (2) is awarded on or after September 1, 2025.

(b)  A person is entitled to a refund in the amount and under the conditions provided by this section of the taxes paid under this chapter on the purchase or use of building materials used to construct qualifying affordable housing.

(c)  Subject to Subsections (d) and (e), the amount of the refund to which a person is entitled under this section is equal to the sum of:

(1)  for each single-family home that is qualifying affordable housing that the person constructs, the amount of the taxes paid under this chapter on not more than $50,000 of building materials purchased for the construction of the home during the 180-day period preceding the date the person files an application for the refund under Subsection (f); and

(2)  for each residential unit constructed by the person in an apartment complex that is qualifying affordable housing, the amount of the taxes paid under this chapter on not more than $5,000 of building materials purchased for the construction of the unit during the 180-day period preceding the date the person files an application for the refund under Subsection (f).

(d)  A person may not claim more than:

(1)  $100,000 in refunds under Subsection (c)(1) in a calendar year; and

(2)  $100,000 in refunds under Subsection (c)(2) in a 180-day period.

(e)  The total amount of refunds that may be awarded under this section to all applicants in a state fiscal year may not exceed $2 million. The refunds shall be allocated on a first-come, first-served basis, based on the date each application is submitted under Subsection (f).

(f)  A person must apply to the comptroller in the manner prescribed by the comptroller to receive a refund under this section. A person may not again submit an application for a refund before the 180th day after the date the person last submitted an application for a refund under this section.

(g)  The comptroller shall adopt rules necessary to implement and administer this section.

SECTION 2.  The change in law made by this Act does not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and civil and criminal enforcement of the liability for those taxes.

SECTION 3.  This Act takes effect September 1, 2025.