

By: Barry

H.B. No. 2962

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from taxes imposed on the gross receipts of electricity sold to political subdivisions.

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

SECTION 1. Section 182.022(d), Tax Code, is amended to read as follows:

(d) Notwithstanding any other provisions of this chapter, a tax under this chapter may not be imposed on the gross receipts from the sale of electricity to a political subdivision [~~public school district customer~~].

SECTION 2. (a) As soon as practicable after the effective date of this Act, the Public Utility Commission of Texas, for an electric utility regulated under Chapter 36, Utilities Code, shall provide for the adjustment of the electric utility's billing of a political subdivision to reflect any decrease in the utility's tax liability to this state if the decrease is attributable to the exemption in Section 182.022(d), Tax Code, as amended by this Act. An adjustment must be made effective at the same time as the decrease of tax liability or as soon after that decrease occurs as is reasonably practicable. The Public Utility Commission of Texas is not required to provide for an adjustment if the commission enters an order for the utility under Subchapter C or D, Chapter 36, Utilities Code, that accounts for any decrease in the utility's tax liability attributable to the exemption in Section 182.022(d), Tax

1 Code, as amended by this Act. An adjustment is not a rate case under  
2 Subchapter C or D, Chapter 36, Utilities Code.

3 (b) As soon as practicable after the effective date of this  
4 Act, a retail electric provider, as defined by Section 31.002,  
5 Utilities Code, shall adjust the billing of a political subdivision  
6 to reflect any decrease in the retail electric provider's tax  
7 liability to this state if the decrease is attributable to the  
8 exemption in Section 182.022(d), Tax Code, as amended by this Act.  
9 An adjustment must be made effective at the same time as the  
10 decrease of tax liability or as soon after that decrease occurs as  
11 is reasonably practicable.

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