

1-1 By: Meyer, et al. (Senate Sponsor - Creighton) H.B. No. 4044
1-2 (In the Senate - Received from the House May 5, 2025;
1-3 May 6, 2025, read first time and referred to Committee on Finance;
1-4 May 21, 2025, reported favorably by the following vote: Yeas 13,
1-5 Nays 0; May 21, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7		Yea	Nay	Absent	PNV
1-8	Huffman	X			
1-9	Hinojosa of Hidalgo	X			
1-10	Alvarado	X			
1-11	Bettencourt	X			
1-12	Campbell	X			
1-13	Creighton	X			
1-14	Flores	X			
1-15	Hall			X	
1-16	Kolkhorst			X	
1-17	Nichols	X			
1-18	Paxton	X			
1-19	Perry	X			
1-20	Schwertner	X			
1-21	West	X			
1-22	Zaffirini	X			

1-23 A BILL TO BE ENTITLED
1-24 AN ACT

1-25 relating to certain expenditures by public institutions of higher
1-26 education and university systems that are eligible for certain tax
1-27 credits.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. (a) Section 172.102(b), Tax Code, is amended to
1-30 read as follows:

1-31 (b) Except as provided by Subsection (c), the depreciation
1-32 and tax-exempt use provisions of Section 47(c)(2), Internal Revenue
1-33 Code, do not apply to costs and expenses incurred by an entity
1-34 exempted from the federal income tax under Section 501(a), Internal
1-35 Revenue Code, or by an institution of higher education or
1-36 university system as defined by Section 61.003, Education Code, and
1-37 those costs and expenses are eligible costs and expenses if the
1-38 other provisions of Section 47(c)(2), Internal Revenue Code, are
1-39 satisfied.

1-40 (b) Effective January 1, 2035, Section 172.102(b), Tax
1-41 Code, is amended to read as follows:

1-42 (b) Except as provided by Subsection (c), the depreciation
1-43 and tax-exempt use provisions of Section 47(c)(2), Internal Revenue
1-44 Code, do not apply to costs and expenses incurred by an entity
1-45 exempted from the federal income tax under Section 501(a), Internal
1-46 Revenue Code, and those costs and expenses are eligible costs and
1-47 expenses if the other provisions of Section 47(c)(2), Internal
1-48 Revenue Code, are satisfied.

1-49 SECTION 2. (a) Section 172.102(b), Tax Code, as amended by
1-50 Section 1(a) of this Act, applies only to costs and expenses
1-51 incurred on or after the effective date of this Act.

1-52 (b) Section 172.102(b), Tax Code, as amended by Section 1(b)
1-53 of this Act, applies only to costs and expenses incurred on or after
1-54 January 1, 2035.

1-55 SECTION 3. This Act takes effect January 1, 2026.

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