

By: West

S.B. No. 653

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to a refund of sales and use taxes paid on the purchase or  
3 use of building materials used to construct certain subsidized  
4 housing.

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

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

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

11 (1) that is located in this state;

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

15 (3) for which the state or federal tax credit  
16 described by Subdivision (2) is awarded on or after September 1,  
17 2025.

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

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

1           (1) for each single-family home that is qualifying  
2 affordable housing that the person constructs, the amount of the  
3 taxes paid under this chapter on not more than \$50,000 of building  
4 materials purchased for the construction of the home during the  
5 180-day period preceding the date the person files an application  
6 for the refund under Subsection (f); and

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

13           (d) A person may not claim more than:

14           (1) \$100,000 in refunds under Subsection (c)(1) in a  
15 calendar year; and

16           (2) \$100,000 in refunds under Subsection (c)(2) in a  
17 180-day period.

18           (e) The total amount of refunds that may be awarded under  
19 this section to all applicants in a state fiscal year may not exceed  
20 \$2 million. The refunds shall be allocated on a first-come,  
21 first-served basis, based on the date each application is submitted  
22 under Subsection (f).

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

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

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

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