

**HOUSE OF REPRESENTATIVES
COMPILATION OF PUBLIC COMMENTS**

Submitted to the Committee on Ways & Means
For SB 2206

Compiled on: Monday, May 12, 2025 9:45 AM

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Hearing Date: May 12, 2025 9:00 AM

Michael Gallops, President/CEO
Metrocrest Chamber of Commerce
Farmers Branch, TX

The Metrocrest Chamber of Commerce strongly supports Senate Bill 2206, as engrossed, and commends the Legislature for advancing this forward-looking policy to strengthen Texas’s innovation economy and foster meaningful collaboration between industry and higher education.

SB 2206 replaces the outdated R&D sales tax exemption with a more strategic, performance-driven franchise tax credit for businesses conducting qualified research and development in Texas. Importantly, it creates enhanced incentives for companies that partner directly with Texas-based public or private colleges and universities—a vital step in aligning economic growth with workforce and academic advancement.

This modernized framework will ensure that R&D investments stay in Texas and that the return on those investments supports the state’s long-term competitiveness. In regions like Metrocrest—including Addison, Carrollton, and Farmers Branch—businesses depend on access to innovative technologies, applied research, and a skilled talent pipeline. By rewarding employers that collaborate with higher education institutions, SB 2206 directly supports those goals while strengthening the research infrastructure in every corner of the state.

The new structure established under Subchapter T of the Tax Code is clear, predictable, and performance-based. It provides credit carryforwards, supports small and growing businesses with refundable options, and maintains essential compliance and reporting requirements to ensure accountability. This approach ensures that the state’s R&D incentive dollars go toward partnerships and projects that yield real economic and academic value.

By encouraging public-private collaboration and targeting tax relief toward high-impact research activity, SB 2206 creates a smart pathway to drive innovation, attract investment, and develop the next generation of talent right here in Texas. At the same time, it eliminates outdated provisions, like the prior sales tax exemption for R&D equipment, in favor of a more targeted and results-oriented model.

We applaud Senator Brandon Creighton for his leadership and respectfully urge the Legislature to continue advancing SB 2206. This bill reflects the kind of thoughtful, pro-growth strategy Texas needs to lead in innovation and economic opportunity for years to come.