By: Buckley H.B. No. 1133

A BILL TO BE ENTITLED

AN ACT

relating to an alcoholic beverage tax credit for certain liquor or malt beverage byproducts donated for agricultural use in this state.

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

SECTION 1. Title 5, Alcoholic Beverage Code, is amended by adding Chapter 207 to read as follows:

CHAPTER 207. TAX CREDIT FOR DONATION OF CERTAIN BYPRODUCTS FOR AGRICULTURAL USE

Sec. 207.01. DEFINITIONS. In this chapter:

(1) "Eligible taxpayer" means a person that:

(A) pays a tax under this title and holds:

(i) a permit under Chapter 14 or 37; or

(ii) a license under Chapter 62, 63, or 74; or

(B) pays a tax under this title on the first sale of liquor or a malt beverage that is imported into this state.

(2) "Spent grain byproduct" means the byproduct material remaining from grain used to produce liquor or malt beverages.

Sec. 207.02. ELIGIBILITY FOR CREDIT. An eligible taxpayer is entitled to a credit in the amount and under the conditions provided by this chapter against taxes paid under this title.

Sec. 207.03. AMOUNT OF CREDIT; LIMITATION. (a) Subject to

Subsection (b), the amount of an eligible taxpayer's credit for a state fiscal year is equal to the product of:

(1) $0.08; and

(2) the number of pounds dry weight of spent grain byproduct donated by the taxpayer during the state fiscal year:

(A) for agricultural use, including for use in composting or as animal feed; and

(B) to a location in this state that is not more than 100 miles from the location where the spent grain byproduct was used to produce liquor or a malt beverage.

(b) An eligible taxpayer may not claim in a state fiscal year a credit under this chapter that exceeds the lesser of:

(1) $30,000; or

(2) the total amount of taxes paid by the taxpayer under this title during the state fiscal year.

Sec. 207.04. APPLICATION FOR CREDIT. (a) A taxpayer must apply for a credit under this chapter in the manner prescribed by the commission.

(b) The commission may request from a taxpayer information reasonably necessary to determine:

(1) whether the taxpayer is an eligible taxpayer; and

(2) if the taxpayer is an eligible taxpayer, the amount of the credit.

(c) The commission may adopt rules and procedures necessary to implement and administer this section.

SECTION 2. A taxpayer may apply for a credit under Chapter 207, Alcoholic Beverage Code, as added by this Act, only for a

donation made on or after the effective date of this Act.

SECTION 3. Chapter 207, Alcoholic Beverage Code, as added by this Act, applies only to a tax originally due under Title 5, Alcoholic Beverage Code, on or after the effective date of this Act.

SECTION 4. This Act takes effect September 1, 2027.