

BILL ANALYSIS

Senate Research Center
77R6255 DAK-F

S.B. 857
By: Madla
Finance
3/30/2001
As Filed

DIGEST AND PURPOSE

In 1975, the Texas Legislature passed a sales tax exemption for solar energy devices. The federal tax credit ended by 1985, and the renewable energy industry began to lose momentum. Around the same time the Legislature began repealing many tax exemptions, including the exemption for solar energy devices in 1987. No state financial incentive for residential or commercial-scale renewable energy devices has been provided since then. As proposed, S.B. 857 exempts renewable energy devices from the sales and use taxes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 151H, Tax Code, by adding Section 151.357, as follows:

Sec. 151.357. RENEWABLE ENERGY DEVICES. (a) Defines “renewable energy” and “renewable energy device.”

(b) Provides that the sale or use of a renewable energy device, including its component parts and repair or replacement parts, is exempt from the tax imposed by this chapter.

SECTION 2. Effective date: July 1, 2001, or October 1, 2001.

Makes application of this Act prospective.