

BILL ANALYSIS

Senate Research Center
81R5936 BEF-D

S.B. 966
By: Ellis
Finance
4/2/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Even though H.B. 1449, 77th Legislature, Regular Session, 2001, prohibited school districts from entering into tax abatement agreements, the state still appropriates \$10 million each year of the biennium for refunds. In 2007, there were 139 businesses who applied to the comptroller for refunds, and 129 of those applications were approved. This legislation will close this loophole.

As proposed, S.B. 966 repeals the refund of taxes paid to a school district on property that is located in a reinvestment zone established under Chapter 312 (Property Redevelopment and Tax Abatement), Tax Code, exempt in whole or in part from the payment of ad valorem taxes imposed by a municipality or a county under a tax abatement agreement entered into with the municipality or county under Chapter 312, and not subject to a tax abatement agreement or an agreement to limit the appraised value of property under Chapter 313 (Texas Economic Development Act), Tax Code, entered into by the school district.

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. Repealer: Subchapter F (Tax Refund for Economic Development), Chapter 111 (Collection Procedures), Tax Code.

SECTION 2. Provides that the repeal of Subchapter F, Chapter 111, Tax Code, by this Act does not affect a right to claim a refund of state sales and use and state franchise taxes that was established under Section 111.301 (Refund of State Taxes; Application for Refund), Tax Code, in relation to taxes paid before the effective date of this Act. Provides that a right to claim a refund of state sales and use and state franchise taxes that was established under Section 111.301, Tax Code, in relation to taxes paid before the effective date of this Act is governed by the law in effect on the date the right to claim the refund was established, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: January 1, 2010.