

By: Rodriguez

H. B. No. 237

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a deduction under the franchise tax for certain
3 renewable energy devices.

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

5 SECTION 1. Subchapter C, Chapter 171, Tax Code, is amended
6 by adding Section 171.1075 to read as follows:

7 Sec. 171.1075. DEDUCTION OF COST OF CERTAIN RENEWABLE
8 ENERGY DEVICES FROM MARGIN APPORTIONED TO THIS STATE. (a) In this
9 section:

24 (2) the device is used in this state by the taxable

1 entity; and

2 (3) the cost of the device is amortized in accordance
3 with Subsection (c).

4 (c) The amortization of the cost of a renewable energy
5 device must:

6 (1) be for a period of at least 60 months;

7 (2) provide for equal monthly amounts or conform to
8 federal depreciation schedules;

9 (3) begin on the month in which the device is placed in
10 service in this state; and

11 (4) cover only a period in which the device is in use
12 in this state.

13 (d) A taxable entity that makes a deduction under this
14 section shall file with the comptroller an amortization schedule
15 showing the period in which a deduction is to be made. On the
16 request of the comptroller, the taxable entity shall file with the
17 comptroller proof of the cost of the renewable energy device or
18 proof of the device's operation in this state.

19 SECTION 2. This Act applies only to a report originally due
20 on or after January 1, 2010.

21 SECTION 3. This Act takes effect January 1, 2010.