

By: Rodriguez

H.B. No. 237

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

(1) "Renewable energy device" means a device that exclusively uses one or more renewable energy technologies to generate electricity. The term does not include a solar energy device as that term is defined by Section 171.107(a).

(2) "Renewable energy technology" has the meaning assigned by Section 39.904(d), Utilities Code.

(3) "Retail customer" has the meaning assigned by Section 31.002, Utilities Code.

(b) A taxable entity that is a retail customer may deduct from the taxable entity's apportioned margin 10 percent of the amortized cost of a renewable energy device if:

(1) the device is acquired by the taxable entity for heating and cooling or for the production of power for the taxable entity;

(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.