

BILL ANALYSIS

S.B. 550
By: Campbell
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised about the inability of certain entities that incur a premium tax under the Insurance Code to apply franchise tax credits to their tax liabilities for the rehabilitation of certified historic structures. S.B. 550 seeks to address these concerns by authorizing entities subject to the premium tax to claim the franchise tax credit against certain tax liabilities.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 550 amends the Tax Code to authorize an entity to which all or part of a franchise tax credit for the certified rehabilitation of certified historic structures is sold or assigned and that is subject to a premium tax for property and casualty insurance, life, health, and accident insurance, title insurance, or a reciprocal and interinsurance exchange to claim all or part of the credit against the premium tax. Statutory provisions relating to tax credits for the certified rehabilitation of certified historic structures apply with respect to a tax credit claimed against an insurance premium tax to the same extent the statutory provisions under which the premium tax is imposed apply to a credit claimed against the franchise tax. The bill establishes that an entity claiming all or part of a credit under the bill's provisions is not required to pay any additional retaliatory tax levied under applicable Insurance Code provisions as a result of claiming that credit.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.