BILL ANALYSIS

Senate Research Center

S.B. 1535
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3/18/2001
As Filed

DIGEST AND PURPOSE

Current law mandates that the maximum term of a tax phase-in is 10 years, and provides that the term of the tax phase-in period commence the year after the agreement is executed. Accordingly, businesses that make significant capital investments requiring a number of years to complete are unable to receive the full benefit of the 10 year abatement on such investments. As proposed, S.B. 1535 allows the tax abatement to begin January 1 of the year after the improvements or repairs are substantially complete in order increase the tax base by providing an incentive for businesses to make significant capital investments in reinvestment zones.

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 312.204(a), Tax Code, to authorize the agreement to take effect on January 1 of the next year after the date the improvements or repairs are substantially completed.

SECTION 2. Effective date: September 1, 2001.