

Office of School Finance

Texas Economic Development Act (Chapter 313)



Legal References

Texas Education Code (TEC), §48.254

Texas Tax Code, Chapter 313

19 Texas Administrative Code (TAC) §61.1019, Additional State Aid for Ad Valorem Tax Credits under the Texas Economic Development Act



Background Information

In accordance with TEC, §48.254, a school district is entitled to state aid in an amount equal to the amount of all tax credits applied against ad valorem taxes of the school district in each year that tax credits were applied, pursuant to the Texas Tax Code, Chapter 313, also known as the Texas Economic Development Act. School districts eligible to receive additional state aid under §48.254 must apply to the commissioner of education to receive additional state aid equal to the qualifying ad valorem tax credits issued under Chapter 313, Subchapter D, as that subchapter existed prior to repeal by House Bill 3390, 83rd Texas Legislature, Regular Session, 2013, subject to certain annual limitations.



Program Description

This program allows school districts to attract new taxable property and create jobs by offering a tax credit and an eight-year limitation on the appraised value of a property for the maintenance and operations (M&O) portion of the school district property tax. The property remains fully taxable for the purposes of any school district debt service tax. Chapter 313, subchapters B and C, expired on December 31, 2022.

The Chapter 313 program is administered by the Texas Comptroller of Public Accounts' Data Analysis and Transparency Division, and full details of the program can be found on their website:

<https://comptroller.texas.gov/economy/local/ch313/>

<https://comptroller.texas.gov/economy/local/ch313/biennial-reports.php>



Contact for More Information

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