

Texas Economic Development Act (Chapter 313)

Texas Education Code (TEC) References

TEC, §61.1019; TEC, §42.2515

History/Relevant Background Information

This section implements §42.2515 (Additional State Aid for Ad Valorem Tax Credits Under Tax Credits Under Texas Economic Development Act). In accordance with §42.2515, a school district, including a school district that is otherwise ineligible for state aid under Chapter 42, 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 §42.2515, must apply to the commissioner of education in order to receive additional state aid equal to the qualifying ad valorem tax credits issued under Chapter 313, Subchapter D, subject to certain annual limitations.

Description of Program

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.

This is based on the Biennial School District Cost Data Request Reports (CDR) submitted to the Comptroller of Public Accounts.	
Total number of applicants	234
Number of eligible applicants	137
Eligible applicants who have applied for a tax credit	140
Eligible applicants who were paid in 2017-2018	123
Eligible applicants that were paid in full	16
Average amount of tax credit	\$195,305

Number of districts that qualify for a tax credit (by year)		
	2007	3
	2008	5
	2009	5
	2010	7
	2011	12
	2012	30
	2013	21
	2014	8
	2015	7
	2016	23
	2017	29
	2018	84
	2019	20
	2020	3
	2021	19
	2022	2
	2023	2
	2024	1
	2025	1

Out of 234 schools eligible for the tax credit, 28 schools have not requested tax credits and within those schools, 9 have not submitted CDR reports to the comptroller's office.

Contact for More Information

Nancy Kuhn, Program Specialist, (512) 463-6313 or Nancy.Kuhn@tea.texas.gov