

Office of School Finance

Texas Economic Development Act (Chapter 313)



Legal References

Texas Education Code, §61.1019; TEC, §48.254

Background Information

This section implements §48.254 (Additional State Aid for Ad Valorem Tax Credits Under Tax Credits Under Texas Economic Development Act). In accordance with §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 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.

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.

This is based on the 2018 Biennial School District Cost Data Request Reports (CDR) submitted to the Comptroller of Public Accounts.

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Total number of applicants	234
Number of eligible applicants	170
Eligible applicants who have applied for a tax credit	157
Eligible applicants who were paid in 2018-2019	128
Eligible applicants that were paid in full from 2012-2018	38
Average amount of tax credit	\$303,315

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 reported, 219 were eligible for the tax credit, 22 schools were paid in full and 48 reported 0 for tax credits.



Contact for More Information

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