

Property:

Texas: New Law Includes Property Tax Incentive Program for Some Commercial Developers

H.B. 5, signed by gov. 6/9/23. Recently enacted legislation establishes a property tax incentive program for certain large commercial projects, providing a potential ten-year tax savings opportunity on the “Maintenance and Operations” (M&O) portion of Texas school taxes for new manufacturing facilities or expansions that meet certain job creation and investment criteria. Qualified projects may be eligible for a 50% tax incentive, while those located in defined opportunity zones may receive a higher incentive of 75%. Moreover, construction in progress (CIP) is fully exempt under this new program. Under the new law, qualifying projects may include constructing or expanding facilities for manufacturing, providing utility services, developing natural resources, conducting high-tech research and development, and constructing critical infrastructure – which may include desalination projects, natural gas terminals, and natural gas storage facilities. However, the new property tax incentive program excludes renewable energy. Please contact us with any questions.

URL: <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=HB5>

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