

# State lawmakers discuss bringing back tax incentive program for school districts

Chapter 313 is set to expire at the end of the year. School districts across Texas use the agreement to entice companies to build in their area.



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AUSTIN, Texas — The Texas House Ways and Means Committee met this week to talk about Chapter 313 of the Texas tax code. It allows school districts to offer property tax incentives to corporations while those companies look to invest in Texas.

"Texas, as we all know, doesn't have a personal income tax," Dale Craymer, president of the [Texas Taxpayers and Research Association](#), testified to the committee on Thursday. "That means we rely much more heavily on property and sales taxes than other states. That means our property and sales taxes are much higher here than in other states, and that poses particular barriers to new investment for an industrial project looking to locate."

Chapter 313 went into effect in 2002. A company files an application with a school district. The school district, if interested, gives preliminary approval and sends the application to the Texas Comptroller of Public Accounts.

The comptroller's office reviews the application. If it meets certain requirements, the state agency sends the application back to the school district for final approval. In any given year, the comptroller's office receives approximately 120 applications. With Chapter 313 expiring, the office received 413 as of Sept. 1.

"Will you be able to get through all 400 applications by Dec. 31?" Rep. Morgan Meyer (R-Dallas) asked Thursday as chair of the committee.

"We will not," Korry Castillo, associate deputy comptroller, replied.

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The comptroller's office recommended if companies wanted to file an application to [do so by June 1](#). While many in capital-intensive industries, like manufacturing, advocate for the state legislature to take up the revival of this tax incentive in the next legislative session, some consistently call for it to expire instead.

"We believe that the billion dollars that we're giving away, again, to massively profitable corporations should instead be paying for ... safer communities, better schools, workforce development," Rev. Miles Brandon, a member of Central Texas Interfaith, argued.

Brandon testified Thursday as well, calling on state lawmakers to let the law expire and never come back. However, in an interview Friday, Brandon said if lawmakers revive the tax break, his organization will be there with their own input on how to at least improve an incentive program like Chapter 313.

"I really believe that the solution is that we need to go to the legislature and get our school districts properly funded, fix recapture, not get into bed long-term with these corporations," Brandon continued.

The general feeling at the end of the testimony Thursday seemed to suggest lawmakers will introduce Chapter 313 or a similar incentive program in the 2023 legislative session to continue bolstering the Texas manufacturing industry.