

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



June 4, 2010

Dear Company:

The public comment period for Tax Code Chapter 313 rules and forms discussed in the March 25 letter to you has closed, and the responses to the comments have been sent to the *Texas Register*. There were no major changes to the data collection requirements of companies and school districts in the adopted rules and forms from those in the proposed rules and forms. The adopted rules and forms are now posted at www.window.state.tx.us/taxinfo/proptax/hb1200/index.html. Our office anticipates the adopted rules will be published in the *Texas Register* on June 18, 2010.

We have extended the *Biennial Progress Report Form 50-773* due date from May 15 to July 15 for this year only, allowing time for you — as a party to a Chapter 313 school district maintenance and operations property tax limitation agreement — to gather and report the required information for Form 50-773 (*Biennial Progress Report Form*) to the school district and the district to submit the form to the Comptroller's office by Aug. 15. The extended deadline also applies to Form 50-772 (*Annual Eligibility Report Form*), which will be retained by the school district.

Questions about the forms may be sent to chapter313@cpa.state.tx.us. Below is a description of the forms that may be downloaded at www.window.state.tx.us/taxinfo/proptax/hb1200/index.html.

Form 50-773 (*Biennial Progress Report Form*). For 2010, the deadline for the form to be completed by companies and sent to the school district is July 15. The school district is required to submit the completed form to the Comptroller's office by Aug. 15.

Form 50-773 is used to collect from companies with Chapter 313 value limitation agreements information required by Tax Code Chapter 313.008. Our office requests that companies complete the electronic spreadsheet version of Form 50-773, submitting both an unsigned electronic version and a signed hard copy version of the spreadsheet (with any attachments) to the school district. The spreadsheet version of this form is available at www.window.state.tx.us/taxinfo/proptax/hb1200/index.html.

Districts and companies not reporting data in a timely manner will be noted in the report to the Legislature required by Tax Code Section 313.008. Furthermore, according to Texas Education Agency (TEA) rule, failure of companies and districts to meet reporting requirements may negatively affect districts' requests to TEA for reimbursement of tax credits approved by districts under the chapter.

Form 50-772 (*Annual Eligibility Report Form*). The form is completed by companies and submitted to school districts by July 15.

June 4, 2010

Page Two

The new rules clarify that school districts are responsible for enforcing the terms of value limitation agreements, with particular reference to “clawback” provisions in Section 313.0275 of Chapter 313 regarding certain investment and job requirements. Districts will be required to collect from companies the information necessary to complete Form 50-772, using either Form 50-772 or any other means. Form 50-772 is not forwarded to the Comptroller’s office but must be retained by the district.

The Comptroller’s office sincerely appreciates your hard work in implementing the provisions of House Bill 3676 and bringing increased transparency and accountability to this significant economic development tool.

Sincerely,

Robert Wood
Director of Local Government Assistance and Economic Development