

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 School District:

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](http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html). The Comptroller's 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 companies to gather and report the required information to school districts and school districts to report to our office by Aug. 15. The extended deadline applies to Forms 50-772 and 50-773. Form 50-773 (*Biennial Progress Report Form*) should be received by our office by Aug. 15, as well as a *Biennial School District Cost Data Request* (described on the next page and now posted on the agency website). Form 50-722 (*Annual Eligibility Report Form*) should be retained by the school districts.

We urge you to contact any businesses having a Chapter 313 agreement with your district as soon as possible to begin the required data collection process. Questions about the forms may be sent to [chapter313@cpa.state.tx.us](mailto: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](http://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 school districts is July 15. The school districts submit the completed forms 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](http://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 Chapter 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.

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

The new rules clarify that school districts are responsible for enforcing the terms of value limitation agreements, with particular reference to the “clawback” provision in Section 313.0275 of Chapter 313 regarding certain investment and job requirements. Districts are 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.

**Biennial School District Cost Data Request – 2010.** The form is completed by school districts and sent to the Comptroller’s office by Aug. 15.

Every other year for each limitation agreement, each school district having a Chapter 313 agreement is requested by the Comptroller to complete the *Biennial School District Cost Data Request*. Information from this form will be used to prepare fiscal estimates for the Legislature as well as provide information for reports to the Legislature required by Tax Code Section 313.008 and Government Code Section 403.014. The Comptroller requests districts complete and submit to our office both an unsigned electronic version and a signed hard copy version of the spreadsheet (with any attachments).

Tax Code Section 313.0265 directs the Comptroller’s office to post on the agency’s website each substantive document before the 15th day after the date the document was received or created. Section 313.025(a-1) requires that the school district provide on its website a link to the location of those documents posted on the Comptroller’s website. Please establish a link to the following website at [http://www.texasahead.org/tax\\_programs/chapter313/applicants/](http://www.texasahead.org/tax_programs/chapter313/applicants/).

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