

WHO WINS WITH CH. 313? EVERYONE.

CHAPTER 313 OF THE TAX CODE ALLOWS SCHOOL DISTRICTS TO OFFER A LIMITED, TEMPORARY DISCOUNT ON A PORTION OF THE TAXABLE VALUE OF NEW INVESTMENT PROJECTS. THE PROGRAM HAS BEEN THE SUBJECT OF SUBSTANTIAL MISINFORMATION. IN FACT, THE PROGRAM IS A WIN-WIN PLUS FOR ALL INVOLVED.

WINNER?	LOSER?
	
	
	
	
	

PROJECTS: A COMPETITIVE TAX BILL!

New projects receive a temporary discount against what would be one of the highest property tax bills in the nation, making an investment in Texas pay off. The Lincoln Institute of Land Policy reports that the average property tax bill for an industrial facility in Texas is **61 percent higher than the national average**. According to the Comptroller, projects under Chapter 313 have invested \$134 billion in Texas.

SCHOOL DISTRICTS: MORE TAX REVENUE!

A portion of a project's new value is subject to school M&O taxes even during the limitation period, adding to the local tax base and to the property taxes a district collects. School districts collect even more in property taxes when the limitation expires and the project is fully taxed.

STATE OF TEXAS: BUDGET SAVINGS & NEW REVENUE!

As a Chapter 313 project adds to a school district's tax rolls, both during and after the limitation period, the state recognizes the district is "wealthier." A reduced amount of state aid is needed to fully fund their local school program, saving the state money. Since its inception, Chapter 313 projects have paid \$1.5 billion in school taxes. But wait, there's more! Projects pay sales, franchise, inventory and other state and local taxes, bringing new revenue to the state, as well!

LOCAL TAXPAYERS: LOWER TAXES!

New projects must pay school debt taxes (I&S tax rate) on the full value of the property. Because this is a new property added to the tax rolls, schools can raise the same amount of money to pay off their debt with lower tax rates, saving existing property owners. Districts may also accelerate repayment of existing debt, reducing the length of time local property owners must pay a debt tax.

LOCAL COMMUNITY: JOBS, JOBS, JOBS!

Chapter 313 projects not only bring new operations jobs and construction jobs, the projects also become a permanent part of the community, contracting for local services and sparking new jobs in support of the facility and the employees there. The Comptroller estimates the program has brought 56,200 new jobs to Texas.