



Glenn Hegar Texas Comptroller of Public Accounts

Texas Economic
Development Act
Chapter 313
Summary Data
2019

Introduction

This analysis, while based on reports submitted by the companies and school districts, along with other information, is not intended to be a summation of the project figures reflected in the individual reports required under Texas Tax Code 313.032 and reported in the Report of the Texas Economic Development Act 2019.

This analysis is an effort to present the Comptroller's estimates of the current status of the program, as opposed to the individual project data. Thus, the figures in this analysis are based on estimates through Aug. 31, 2018, and will differ somewhat from the individual report figures in the Report of the Texas Economic Development Act 2019, which are based on estimates through June 1, 2018.

- Of the **389** current and executed agreements as of Aug. 31, 2018, **42 percent** are manufacturing, **57 percent** are renewable energy and **1 percent** are research and development (R&D).
- Of the estimated **\$183.7 billion** invested under the 389 agreements, **74.6 percent** of the investments are in manufacturing and **25 percent** are in renewable energy; less than **1 percent** are in research and development (R&D).
- Of the **12,498 qualifying jobs** committed for creation under the 389 project agreements, **88 percent** are in manufacturing and **9.7 percent** are in renewable energy; the remaining **1.6 percent** are in R&D.
- Of the estimated gross tax benefit of **\$9.7 billion**, manufacturing projects are estimated to receive **73.7 percent**; renewable energy projects, **26.1 percent**; and R&D received less than **two-tenths of 1 percent**.
- Renewable energy projects are returning **18 percent** of their tax benefits back to the school districts through supplemental payments, while R&D and manufacturing projects are paying **15 percent** and **12 percent**, respectively, in supplemental payments.

The Chapter 313 program continues to grow - with 90 applications received in 2018, a new high.

This summary data is presented as a useful tool for evaluating this program. Chapter 313 is currently set to expire Dec. 31, 2022.

Current and Executed Agreements

Table 1 includes data from all projects with agreements executed before Aug. 31, 2018, that are required to report. Figures are reported by the applicable eligibility categories.

Table 1

Current and Executed Agreements

Category	Active Projects Executed before 08/31/18	Estimated Total Investment for Length of Agreement	Reported Investment Through 2017	2017 taxable value for M&O if limitation were not in effect	2017 taxable value for M&O with limitation in effect
Manufacturing	163	\$136,974,469,000	\$87,901,829,000	\$32,171,567,000	\$11,075,161,000
Research and Development	4	\$773,141,000	\$773,141,000	\$380,901,000	\$304,401,000
[Wind] Renewable Energy Electric Generation	188	\$39,541,119,000	\$28,605,367,000	\$15,314,545,000	\$2,642,879,000
[Non-Wind] Renewable Energy Electric Generation	34	\$6,365,742,000	\$2,657,209,000	\$1,451,736,000	\$258,213,000
Total	389	\$183,654,471,000	\$119,937,547,000	\$49,318,750,000	\$14,280,654,000

Category	Total 2017 taxable value for M&O not on the tax rolls	Estimated Gross Tax Benefit through 2017	Estimated total gross tax benefit to company through limitation and tax credit for length of agreement
Manufacturing	\$21,096,406,000	\$1,065,379,000	\$7,137,551,000
Research and Development	\$76,500,000	\$15,179,000	\$17,270,000
[Wind] Renewable Energy Electric Generation	\$12,671,666,000	\$746,060,000	\$2,225,727,000
[Non-Wind] Renewable Energy Electric Generation	\$1,193,523,000	\$27,455,000	\$297,817,000
Total	\$35,038,096,000	\$1,854,073,000	\$9,678,365,000

Note: Figures are rounded to the nearest thousand. Figures may not add due to rounding.

Job Creation Summary

Table 2 summarizes the jobs created for each eligibility category.

Table 2

Job Creation Summary

	Reported number of qualifying jobs created through 2017	Maximum number of qualifying jobs recipient committed to create on application	Reported number of jobs* created through 2017	Total reported wages for jobs* in 2017
Manufacturing	11,080	8,910	14,093	\$1,067,193,000
Research and Development	205	75	257	\$25,405,000
[Wind] Renewable Energy Electric Generation	1,127	1,131	1,424	\$69,035,000
[Non-Wind] Renewable Energy Electric Generation	86	99	98	\$14,231,000
TOTAL	12,498	10,215	15,872	\$1,175,865,000

*For projects subject to the statute prior to HB 3390 (2013), reported jobs are “new jobs.” After HB 3390, reported jobs are the total of qualifying jobs and non-qualifying jobs.

Note: Wage figures are rounded to the nearest thousand. Figures may not add due to rounding.

Estimates of Tax Base and Gross Tax Benefits

Table 3 lists the estimated annual gross company tax benefits over the life of active Chapter 313 project agreements executed before August 31, 2018. Taxable values are only included for the length of each agreement. The information included in this table is not required by statute and is provided for informational purposes only. These estimates are provided by beneficiary businesses, school districts and other sources.

Table 3

Estimates of Tax Base and Gross Tax Benefits

Tax Year	Estimated Market Value with No Exceptions	Estimated I&S Tax Base	Estimated M&O Tax Base	Estimated Tax Benefit Due to Limitation	Estimated Tax Benefit Due to Tax Credit	Estimated Gross Tax Benefit
2018	\$60,312,885,000	\$58,358,694,000	\$18,056,309,000	\$436,459,000	\$35,715,000	\$472,173,000
2019	\$75,613,236,000	\$73,240,446,000	\$20,586,135,000	\$567,071,000	\$37,563,000	\$604,634,000
2020	\$84,441,863,000	\$81,362,684,000	\$17,149,425,000	\$696,280,000	\$34,254,000	\$730,534,000
2021	\$84,063,468,000	\$81,626,343,000	\$15,031,785,000	\$719,676,000	\$35,555,000	\$755,231,000
2022	\$88,475,223,000	\$85,853,841,000	\$17,391,610,000	\$739,626,000	\$30,651,000	\$770,277,000
2023	\$90,580,324,000	\$87,944,004,000	\$15,256,052,000	\$786,628,000	\$29,321,000	\$815,949,000
2024	\$91,115,984,000	\$88,370,522,000	\$22,707,777,000	\$714,037,000	\$36,908,000	\$750,945,000
2025	\$86,239,258,000	\$83,160,158,000	\$24,560,628,000	\$639,714,000	\$26,575,000	\$666,288,000
2026	\$79,568,799,000	\$76,634,712,000	\$28,464,785,000	\$522,021,000	\$15,326,000	\$537,347,000
2027	\$65,928,398,000	\$63,083,946,000	\$20,700,713,000	\$460,188,000	\$11,169,000	\$471,358,000
2028	\$58,319,780,000	\$55,643,880,000	\$20,225,943,000	\$388,083,000	\$14,193,000	\$402,275,000
2029	\$48,995,747,000	\$46,694,931,000	\$18,295,618,000	\$313,370,000	\$9,360,000	\$322,730,000
2030	\$45,276,178,000	\$43,324,999,000	\$24,863,843,000	\$206,053,000	\$8,018,000	\$214,071,000
2031	\$39,599,362,000	\$38,206,010,000	\$26,644,931,000	\$131,441,000	\$820,000	\$132,261,000
2032	\$36,400,018,000	\$34,985,925,000	\$25,151,839,000	\$111,888,000	\$0	\$111,888,000
2033	\$29,429,374,000	\$28,043,765,000	\$23,134,859,000	\$57,434,000	\$0	\$57,434,000
2034	\$20,776,282,000	\$19,485,473,000	\$18,725,182,000	\$8,895,000	\$0	\$8,895,000
2035	\$14,593,364,000	\$13,547,640,000	\$13,547,640,000	\$0	\$0	\$0
2036	\$10,268,786,000	\$9,487,328,000	\$9,487,328,000	\$0	\$0	\$0
2037	\$8,866,396,000	\$8,173,019,000	\$8,173,019,000	\$0	\$0	\$0
2038	\$5,148,411,000	\$4,552,001,000	\$4,552,001,000	\$0	\$0	\$0
2039	\$1,034,562,000	\$752,754,000	\$752,754,000	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL				\$7,498,864,000	\$325,428,000	\$7,824,290,000

Note: All figures are rounded to the nearest thousand. Figures may not add due to rounding.

Revenue Payments

Chapter 313 includes three types of allowable payments from the business to the school district. The statute requires that each agreement includes “revenue protection payments” to ensure the district does not see a decrease in revenues due to the agreement. The second type of payment is referred to as “supplemental payments.” The following tables provide information on these additional payments, both by year (Table 4A) and by eligibility area (Table 4B). Additionally, Section 313.027 (f) (2) allows districts to receive payments from companies for extraordinary educational expenses not funded by the school finance system. No districts to date have reported requesting any such funds.

Table 4A

Other Payments to District (By Year)

Tax Year	Estimated Total Supplemental Company Payments to District	Estimated Total Revenue Protection Payments to Districts
2006	\$0	\$0
2007	\$5,204,000	\$284,000
2008	\$6,926,000	\$894,000
2009	\$14,236,000	\$2,373,000
2010	\$27,936,000	\$4,704,000
2011	\$36,154,000	\$8,295,000
2012	\$36,734,000	\$8,920,000
2013	\$39,229,000	\$11,698,000
2014	\$42,319,000	\$15,887,000
2015	\$47,352,000	\$25,597,000
2016	\$54,354,000	\$71,541,000
2017	\$64,119,000	\$109,569,000
2018	\$69,606,000	\$97,895,000
2019	\$76,187,000	\$134,286,000
2020	\$85,444,000	\$138,625,000
2021	\$86,087,000	\$84,448,000
2022	\$91,712,000	\$50,333,000
2023	\$87,066,000	\$55,866,000
2024	\$81,219,000	\$66,402,000
2025	\$71,542,000	\$38,879,000
2026	\$71,757,000	\$21,116,000
2027	\$56,492,000	\$17,074,000
2028	\$49,491,000	\$17,360,000
2029	\$40,823,000	\$12,850,000
2030	\$29,678,000	\$6,002,000
2031	\$18,169,000	\$1,763,000
2032	\$14,676,000	\$3,535,000
2033	\$10,554,000	\$1,795,000
2034	\$7,648,000	\$0
2035	\$3,186,000	\$0
2036	\$1,275,000	\$0
2037	\$0	\$0
2038	\$0	\$0
2039	\$0	\$0
2040	\$0	\$0
Total	\$1,327,176,000	\$1,007,990,000

Table 4B

Other Payments to District (By Category)

	Estimated supplemental company payments to districts for length of agreement	Estimated revenue protection payments to district for length of agreement
Manufacturing	\$878,015,000	\$743,327,000
Research and Development	\$2,602,000	\$655,000
[Wind] Renewable Energy Electric Generation	\$398,377,000	\$226,788,000
[Non-Wind] Renewable Energy Electric Generation	\$48,182,000	\$37,220,000
TOTAL	\$1,327,176,000	\$1,007,990,000

Note: All figures are rounded to the nearest thousand. Figures may not add due to rounding.

Texas Comptroller of Public Accounts
Data Analysis and Transparency
P.O. Box 13528 • Austin, Texas 78711-3528

Publication #96-1359-1, January 2019

comptroller.texas.gov/economy/local/ch313/