

# Additional State Aid for Ad Valorem Tax Credits: Tax Code Chapter 313 - FAQs

- 1. Is my school district eligible to receive Additional State Aid for Ad Valorem Tax Credits (Chapter 313)?** *As stated in 19 Texas Administrative Code (TAC) Section 61.1019 [Additional State Aid for Ad Valorem Tax Credits Under the Texas Economic Development Act](#), in accordance with the Texas Education Code (TEC), §48.254, a school district, including a school district that is otherwise ineligible for state aid under the TEC, Chapter 48, is entitled to state aid in an amount equal to the amount of all tax credits applied against ad valorem taxes of the school district in each year that tax credits were applied pursuant to the Texas Tax Code, Chapter 313, also known as the Texas Economic Development Act. School districts eligible to receive additional state aid under the TEC, §48.254, must apply to the commissioner of education in order to receive additional state aid equal to the qualifying ad valorem tax credits issued under the Texas Tax Code, Chapter 313, Subchapter D, as that subchapter existed prior to repeal by House Bill (HB) 3390, 83rd Texas Legislature, Regular Session, 2013, subject to certain annual limitations.*
- 2. How does the Texas Tax Code, Chapter 313, also known as the Texas Economic Development Act, relate to school districts?** *School districts for which the school board has approved an application by a qualified business entity for a tax credit that meets all the requirements pursuant to the provisions of the Texas Economic Development Act (TEDA) may be eligible to receive additional state aid. Qualifying business entities are eligible to receive a tax credit for a portion of the maintenance and operations (M&O) taxes paid to school districts on property subject to a qualified value limitation agreement during the qualifying period. The credit, subject to certain limitations, is credited to the ad valorem taxes owed by the business entity over a seven-year period, in accordance with the Tax Code, §313.104(2)(A).*
- 3. What information should be submitted for my district to receive the supplemental Chapter 313 Tax Credit?** *To request a tax credit for a Chapter 313 supplemental payment, each district should provide the completed documents below with current data for each active Chapter 313 agreement.*

[Request for Additional State Aid for Ad Valorem Tax Credit Template for Chapter 313, Economic Development Act](#)

[Superintendent's Annual Chapter 313 Tax Credit Certification Example](#)  
[Franchise Tax Account Status Example](#)  
[Statement and Receipt Example](#)

- 4. When should the Chapter 313 request for supplemental payment be submitted?** *The deadline for submitting the Chapter 313 request is on or before May 31 of each year for which the credit is due.*
  
- 5. How do we submit the application and other required information?** *To request a Chapter 313 supplemental payment, each district with an active Chapter 313 tax credit agreement must email the required documentation to [taxprograms@tea.texas.gov](mailto:taxprograms@tea.texas.gov).*
  
- 6. Where can we find an updated Chapter 313 template?** *The link to the latest version of the Chapter 313 template can be found on the Additional State Aid for Ad Valorem Tax Credits: Chapter 313 webpage: <https://tea.texas.gov/finance-and-grants/state-funding/additional-finance-resources/additional-state-aid-for-ad-valorem-tax-credits-chapter-313>*
  
- 7. Can a district request a credit for prior years?** *No, districts can't request a credit/supplemental payment for years prior to the current school year. A district can only request additional state aid in the current year for which the credit is due. (Example: the 2022 request should have been submitted in school year 2022-2023, and the 2023 request should be submitted in school year 2023-2024.)*
  
- 8. How long will it be before we receive our Chapter 313 Tax Credit?** *TEA generates payments once a month, and the district's Foundation payment ledger should be updated at the end of the month starting in May. Completed forms must be received by the 15th of the month to allow adequate time for review and processing of payment in the following month. For example, forms received by May 15 will be processed in June, and so on.*
  
- 9. Where can I find the supplemental payment on my summary of finances (SOF) report?**  
*Chapter 313 supplemental payments flow through Other Programs funding. (See line 45 of the main SOF report.) These payments can be found on the district's SOF report on line 4 of the Other Programs Detail Report.*

| Foundation School Program (FSP) State Funding |                                                                                       | LPE              | DPE              |
|-----------------------------------------------|---------------------------------------------------------------------------------------|------------------|------------------|
| 43.                                           | FSP State Share of Tier One<br>(Total Cost of Tier One - Local Fund Assignment - ASF) | \$21,016,347,893 | \$21,016,347,893 |
| 44.                                           | Tier Two <a href="#">Tier Two Detail Report</a>                                       | \$3,896,735,392  | \$3,896,735,392  |
| 45.                                           | Other Programs <a href="#">Other Programs Detail Report</a>                           | \$447,750,689    | \$447,750,689    |

| Other Programs Detail |                                                                                                      | LPE       | NF        |
|-----------------------|------------------------------------------------------------------------------------------------------|-----------|-----------|
| 1.                    | Attendance Credit Sold                                                                               | (\$0)     | (\$0)     |
| 2.                    | Additional Aid for ESCs and Educational Districts<br>(Ins. Code 1579.251(b))                         | \$0       | \$0       |
| 3.                    | Supplemental Tax Increment Fund (TIF) Payment,<br>Chapter 311 Tax Increment Reinvestment Zone (TIRZ) | \$0       | \$0       |
| 4.                    | <a href="#">Tax Credit for Tax Code, Chapter 313 Value Limitations</a>                               | \$206,739 | \$206,739 |

Click this link to access the district's SOF report: [School District State Aid Reports incl/ SOFs](#)

**10. How can I contact your office?** *If you have any questions, you can reach us by phone at (512) 463-6313 or by email at [taxprograms@tea.texas.gov](mailto:taxprograms@tea.texas.gov).*