

RESOLUTION

DETERMINING ELIGIBILITY FOR TAX CREDIT PURSUANT TO TEXAS TAX CODE § 313.104

STATE OF TEXAS §

COUNTY OF COLLIN §

RECITALS

WHEREAS, on October 10, 2003, the Superintendent of Schools of the Plano Independent School District acting as agent of the Board of Trustees received an Application from Texas Instruments Incorporated for an Appraised Value Limitation on Qualified Property, (“Application”) pursuant to Chapter 313 of the Texas Tax Code; and

WHEREAS, on December 5, 2003, the District received the application fee as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy; and,

WHEREAS, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, the Application was reviewed by the Texas Comptroller’s Office pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, on February 10, 2004, the Applicant filed an Amended Application that was also forwarded to the Texas Comptroller’s Office pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, the Board of Trustees caused an economic impact evaluation to be conducted pursuant to Texas Tax Code § 313.026 and carefully considered such evaluation; and,

WHEREAS, the Application, as amended, was reviewed by the Collin County Appraisal District established in this County pursuant to the authority of Texas Tax Code § 6.01; and,

WHEREAS, on February 17, 2004 the Board of Trustees has conducted a public hearing on the Application, as amended, at which it has solicited input into its deliberations on the application from all interested parties within the District; and,

WHEREAS, on February 17, 2004 the Board of Trustees has made factual findings in accordance with the Texas Economic Development Act that this Agreement is in the best interest of the District; and,

WHEREAS, on February 17, 2004 the Board of Trustees conditionally accepted an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations, authorizing the Superintendent to execute the Agreement upon final resolution of an Addendum related to the provisions for District benefits referenced in Section 4.2 of the Agreement; and,

WHEREAS, on May 11, 2004, the Superintendent and the Applicant executed the final Agreement; and,

WHEREAS, during the Qualifying Time Period running from January 1, 2005 through December 31, 2006, Texas Instruments Incorporated made a Qualifying Investment as defined by Texas Tax Code § 313.021 in the amount of at least One Hundred Million Dollars, and,

WHEREAS the investment made by Texas Instruments Incorporated has been made for the purposes of manufacturing in accordance with the provisions of Texas Tax Code § 313.024(b)(1); and,

WHEREAS, the amount of ad valorem taxes that were imposed on the portion of the appraised value of the Qualified Property that exceeds the amount of the limitation agreed to by the governing body of the school district under Section 313.027(a)(2) in each year in the applicable Qualifying Time Period which Texas Instruments Incorporated has paid to the District has been TWO MILLION FOUR HUNDRED THIRTY FOUR THOUSAND THREE HUNDRED EIGHTY SIX DOLLARS (\$2,434,386.00); and,

WHEREAS, as of the date of the approval of this Resolution, Texas Instruments Incorporated has not relocated its business outside of the District; and,

WHEREAS, Texas Instruments Incorporated has filed an application with an effective date prior to September 1 of the year immediately following the applicable qualifying time period an application for a tax credit in accordance with the provisions of Texas Tax Code § 313.103; and,

WHEREAS, the application for tax credit filed by Texas Instruments Incorporated was: (1) made on the form prescribed for that purpose by the Texas Comptroller of Public Accounts; (2) was verified by the Applicant; (3) was accompanied by tax receipts from the collector of taxes for the District showing full payment of District ad valorem taxes on the Qualified Property for the applicable Qualifying Time Period; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Plano Independent School District as follows:

1. The application made by Texas Instruments Incorporated for a tax credit pursuant to Texas Tax Code § 313.103 in the total amount of TWO MILLION FOUR HUNDRED THIRTY FOUR THOUSAND THREE HUNDRED EIGHTY SIX DOLLARS (\$2,434,386.00); is approved by the adoption of this Resolution.
2. Beginning with the Tax Year 2008, which is the tax year next following the tax year in which the application is approved, and in each of the subsequent six (6) tax years (ending in Tax Year 2014), the District's collector of taxes is directed to credit against the maintenance and operations taxes imposed on the Qualified Property by the District the lesser amount of either: 1.) THREE HUNDRED FORTY SEVEN THOUSAND SEVEN HUNDRED SIXTY NINE DOLLARS AND FORTY-THREE CENTS (\$347,769.43), an amount equal to one-seventh of the total amount of tax credit to which Texas Instruments Incorporated is entitled under Section 313.102); or, 2.) Fifty Percent (50%) of the total amount of ad valorem maintenance and operations school taxes imposed on the Qualified Property by the school district in that tax year.
3. In addition to the foregoing, in Tax Years 2015, 2016 and 2017 (*the first three tax years after Texas Instruments Incorporated's eligibility for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax expires*), the District's collector of taxes is directed to credit against the maintenance and operations taxes imposed on the Qualified Property by the District in lesser of either: 1.) any remainder of the of TWO MILLION FOUR HUNDRED THIRTY FOUR THOUSAND THREE HUNDRED EIGHTY SIX DOLLARS (\$ 2,434,386.00) credit balance which was not paid under paragraph 2, above: or, 2.) the total amount of ad valorem school taxes imposed on the Qualified Property by the school district in each of those tax years, as needed, to eliminate the unpaid credit balance, until such balance is paid in full.
4. Prior to making any tax credit payments under Sections (2) or (3), above, the District's tax collector is director to determine whether Texas Instruments Incorporated has relocated outside the District. In the event that Texas Instruments Incorporated has relocated outside the District, no tax credit will be paid for either the tax year in which the owner relocates the business outside the school district or the tax years thereafter.
5. If the Texas Comptroller of Public Accounts, the Texas Education Agency, or the District's tax collector, after providing notice and the opportunity for a response, determines that Texas Instruments Incorporated was either not eligible for the credit or received more credit than to which it was entitled, then the District shall impose an additional tax on the Qualified Property that is equal to the amount of

tax credit that was erroneously taken, plus interest at an annual rate of 7.0% calculated from the date on which the credit was issued. A tax lien attaches to the Qualified Property in favor of the school district to secure payment by the person of the additional tax and interest that are imposed and any penalties incurred. A taxpayer which is delinquent in the payment of an additional tax may not submit a subsequent application or receive a tax credit under this subsection in a subsequent year.

IN WITNESS WHEREOF, this Agreement has been executed by the District and the Applicant in duplicate originals on December 11, 2007.

PLANO INDEPENDENT SCHOOL DISTRICT

By: _____

DUNCAN WEBB
President
Board of Trustees

ATTEST:

By: _____

LLOYD JENKINS
Secretary
Board of Trustees