FAQs

Texas Tax Reform Filings

What filings did CenterPoint Energy make?

- On July 10, 2018, CenterPoint Energy (CNP) filed with the Texas Railroad Commission and municipal regulatory authorities Tax Reform filings for its Beaumont/East Texas, Houston and Texas Coast Divisions. These filings were made in order to comply with an order issued by the Railroad Commission of Texas on February 27, 2018 directing gas utilities serving more than 10,000 customers to make an administrative filing to ensure that gas utility customers in the State of Texas receive the benefits associated with the reduction in the federal corporate income tax rate.

What authorized the reduction in the federal corporate income tax rate?

- On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "TCJA") was signed into law. The TCJA reduced the federal corporate income tax rate from 35% to 21%.

How does the TCJA affect a customer's gas bill?

- The benefits of the TCJA will be reflected in a customer's bill as follows:
    - As a reduction to the customer charge, the base amount and the storage inventory charge. These rate reductions will be effective for bills rendered on or after September 1, 2018.
    - As a one-time bill credit. Customers will see a one-time bill credit shown as a separate line item on their bill called Tax Reform Refund. This credit is a "catch up" to reflect the lower federal corporate income tax rate back to January 1, 2018, which is when the Federal Tax Cuts and Jobs Act took effect. This one-time bill credit will begin with bills rendered no later than October 1, 2018.
    - The impact of deferred taxes will be reflected in the Company's next rate case.