



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

November 28, 2007

Mr. Richard Matkin
Associate Superintendent for Business Services
Plano Independent School District
2700 W. 15th Street
Plano, Texas 75075

Mr. Bill Schluesner
Sales/Property Tax Director
Texas Instruments Incorporated
P.O. Box 650311 M/S 3998
Dallas, Texas 75265

Re: *Texas Instruments Tax Credit Application to Plano ISD*

Dear Mr. Matkin and Mr. Schluesner:

Plano ISD (PISD) has requested that we review the calculations in the Tax Credit Application filed with the District. Under the property value limitation agreement entered into by Texas Instruments(TI) and PISD on May 11, 2004, TI is eligible for a tax credit for M&O taxes paid in excess of the \$100 million value limitation for the 2005 and 2006 tax years. This review is limited to the documents that accompanied the application.

Based on the attached tax notice, TI had value in excess of the \$100 million limit in the 2006 tax year. (The property described in the tax notice matches the property description in the Value Limitation Agreement between TI and Plano ISD.) For 2006, the taxable value of the project subject to the limit totaled \$304,177,822. When the land value and \$100 million limit are removed, the taxable value that is the basis for the tax credit calculation totals \$183,036,575. When the 2006 PISD M&O tax rate of \$1.33 per \$100 is applied to this value, the taxes subject to the credit total \$2,434,386. Chapter 313 provides that this amount is to be paid out over seven years, with the annual credit amount commencing for the 2008 tax year totaling \$347,769.

Based on the documentation accompanying the tax credit application, it appears that TI is eligible for a tax credit of \$2,434,386, assuming that all other legal requirements have been met. Please contact me if you have questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Daniel T. Casey".

Daniel T. Casey
Partner