

By: Wong

H.B. No. 2209

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from the franchise tax for corporations engaged primarily in biotechnology research and development.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 171, Tax Code, is amended by adding Section 171.088 to read as follows:

Sec. 171.088. EXEMPTION--BIOTECHNOLOGY CORPORATIONS. (a)

In this section, "biotechnology research and development" means an activity described in category 541710 of the 2002 North American Industry Classification System.

(b) A corporation engaged primarily in biotechnology research and development is exempted from the franchise tax.

SECTION 2. (a) This Act takes effect January 1, 2004.

(b) The change in law made by this Act does not affect taxes imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for the purposes of the liability for and collection of those taxes.