

By: Branch

H.J.R. No. 22

A JOINT RESOLUTION

1 proposing a constitutional amendment requiring any increase in the  
2 rate of the franchise tax be approved by two-thirds of all the  
3 members elected to each house of the legislature.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article VIII, Texas Constitution, is amended by  
6 adding Section 25 to read as follows:

7 Sec. 25. (a) A bill increasing the rate of the franchise  
8 tax per year of privilege period of taxable margin above the rate  
9 provided by .B. No. \_\_, Acts of the 79th Legislature, 3rd Called  
10 Session, 2006, may take effect only if passed by a record vote of  
11 two-thirds of all the members elected to each house of the  
12 legislature on final consideration in each house.

13 (b) This section applies to an increase in the rate of the  
14 franchise tax as it applies to any taxable entity, including a  
15 taxable entity primarily engaged in retail or wholesale trade.

16 (c) This section does not apply to a bill that decreases the  
17 rate of the franchise tax. If the rate of the franchise tax is  
18 decreased, this section applies to any subsequent increase in that  
19 rate.

20 (d) This section does not apply to a bill that amends:

21 (1) the manner in which the franchise tax is computed,  
22 including the determination of margin and taxable margin and any  
23 allowable deductions or credits;

24 (2) the manner in which the franchise tax is

1 administered or enforced; or

2 (3) the applicability of the franchise tax to certain  
3 entities.

4 SECTION 2. This proposed constitutional amendment shall be  
5 submitted to the voters at an election to be held November 7, 2006.  
6 The ballot shall be printed to provide for voting for or against the  
7 proposition: "The constitutional amendment requiring any increase  
8 in the rate of the franchise tax be approved by two-thirds of all  
9 the members elected to each house of the legislature."