

By: Pickett

H.B. No. 156

A BILL TO BE ENTITLED

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AN ACT

relating to the determination of a taxable entity's total revenue for purposes of the revised franchise tax.

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

SECTION 1. Section 171.1011(g), Tax Code, as effective January 1, 2008, is amended to read as follows:

(g) A taxable entity shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), ~~[only the following]~~ flow-through funds that are mandated by contract to be distributed to other entities[+]

~~[(1) sales commissions to nonemployees, including split-fee real estate commissions,~~

~~[(2) the tax basis as determined under the Internal Revenue Code of securities underwritten, and~~

~~[(3) subcontracting payments handled by the taxable entity to provide services, labor, or materials in connection with the actual or proposed design, construction, remodeling, or repair of improvements on real property or the location of the boundaries of real property].~~

SECTION 2. Section 171.1011(1), Tax Code, as effective January 1, 2008, is repealed.

SECTION 3. This Act applies only to a report originally due on or after the effective date of this Act.

SECTION 4. This Act takes effect January 1, 2008.