

By: Strama

H.B. No. 2533

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the computation of taxable margin for purposes of the
3 revised franchise tax by certain taxable entities.

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

5 SECTION 1. Section 171.1013, Tax Code, as effective January
6 1, 2008, is amended by adding Subsection (i) to read as follows:

7 (i) Subject to Section 171.1014 and the limitation in
8 Subsection (c), a taxable entity that elects to subtract
9 compensation for the purpose of computing its taxable margin under
10 Section 171.101 may include as wages and cash compensation any
11 compensation paid to an independent contractor as reported on
12 Internal Revenue Service Form 1099, or any subsequent form with a
13 different number or designation that substantially provides the
14 same information, if the total revenue from the entire business of
15 the taxable entity is less than or equal to \$2 million.

16 SECTION 2. This Act applies only to a report originally due
17 on or after the effective date of this Act.

18 SECTION 3. This Act takes effect January 1, 2008.