

By: Kolkhorst

H.B. No. 3936

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the application of the franchise tax to banking
3 corporations.

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

5 SECTION 1. Section 171.1011, Tax Code, as effective January
6 1, 2008, is amended by adding Subsection (t) to read as follows:

7 (t) A taxable entity that is a banking corporation shall
8 exclude from its total revenue, to the extent included under
9 Subsection (c)(1)(A), (c)(2)(A), or (c)(3), 50 percent of its
10 revenue attributable to extensions of credit:

11 (1) to persons located in this state; or

12 (2) that are secured by collateral located in this
13 state.

14 SECTION 2. This Act applies only to a report originally due
15 on or after January 1, 2008.

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