

By: Anderson

H.J.R. No. 28

A JOINT RESOLUTION

1 proposing a constitutional amendment requiring any increase in a
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 a rate of the franchise tax
8 per year of privilege period of taxable margin above the
9 corresponding rate provided by H.B. No. 3, Acts of the 79th
10 Legislature, 3rd Called Session, 2006, may take effect only if
11 passed by a record vote of two-thirds of all the members elected to
12 each house of the legislature on final consideration in each house.

13 (b) This section applies to an increase in a 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 a
17 rate of the franchise tax. If a 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 6, 2007.
6 The ballot shall be printed to provide for voting for or against the
7 proposition: "The constitutional amendment requiring any increase
8 in a rate of the franchise tax be approved by two-thirds of all the
9 members elected to each house of the legislature."