

By: Brown of Kaufman

H.B. No. 1613

A BILL TO BE ENTITLED

AN ACT

relating to the computation of taxable margin for purposes of the franchise tax by certain taxable entities.

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

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

(i) Subject to Section 171.1014 and the limitation in Subsection (c), a taxable entity that elects to subtract compensation for the purpose of computing its taxable margin under Section 171.101 may include as wages and cash compensation any compensation paid to an independent contractor as reported on Internal Revenue Service Form 1099, or any subsequent form with a different number or designation that substantially provides the same information.

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

SECTION 3. This Act takes effect January 1, 2010.