

By: England

H.B. No. 2391

A BILL TO BE ENTITLED

AN ACT

relating to a franchise tax exclusion for contractual flow-through funds paid to certain performing artists.

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

SECTION 1. Section 171.1011(g), Tax Code, 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; and

(4) payments made to a performing artist, entertainment act, touring show, or exhibition under a contract to perform at a ticketed event in this state in which the contract provides that the artist, act, show, or exhibition will receive a guaranteed dollar amount or a percentage of the revenue from ticket

1 sales.

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

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