

By: Harper-Brown

H.B. No. 2944

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the franchise tax rates.

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

4 SECTION 1. Sections 171.002(a) and (b), Tax Code, are
5 amended to read as follows:

6 (a) Subject to Sections 171.003 and 171.1016 and except as
7 provided by Subsection (b), the rate of the franchise tax is 0.5
8 [~~one~~] percent of taxable margin.

9 (b) Subject to Sections 171.003 and 171.1016, the rate of
10 the franchise tax is 0.25 [~~0.5~~] percent of taxable margin for those
11 taxable entities primarily engaged in retail or wholesale trade.

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

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