

By: Harper-Brown

H.B. No. 2945

A BILL TO BE ENTITLED

AN ACT

relating to the total revenue exemption from the franchise tax.

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

SECTION 1. Section 171.002, Tax Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding Subsection (d)(2), a taxable entity is not required to pay any tax and is not considered to owe any tax for a period if the amount of the taxable entity's total revenue from its entire business is less than \$1 million for the 12-month period on which margin is based. This subsection expires January 1, 2011.

SECTION 2. Section 171.0021, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) If both the discounts provided by this section and the exemption from the tax imposed under this chapter provided by Section 171.002(e) apply to a taxable entity for a period, the exemption provided by Section 171.002(e) prevails. This subsection expires January 1, 2011.

SECTION 3. This Act applies only to a report originally due on or after January 1, 2010, and before January 1, 2011.

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