

By: Lewis

H.B. No. 3696

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a deduction under the franchise tax for the sale of the
3 entire operating assets of a business or of a separate division,
4 branch or identifiable segment of a business.

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

6 SECTION 1. Section 171.1011, Tax Code, is amended by adding
7 Subsection (r) and renumbering subsequent subsections to read as
8 follows:

9 (r) A taxable entity shall exclude, to the extent included
10 under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), total revenue
11 received from the sale of the entire operating assets of the entity,
12 or any lower tier entity, or of a separate division, branch or
13 identifiable segment of the entity, or any lower tier entity.

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

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