

By: Paxton

H.B. No. 3764

A BILL TO BE ENTITLED

AN ACT

relating to the application of the franchise tax to banking corporations.

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

SECTION 1. Section 171.1011, Tax Code, is amended by adding Subsection (u) to read as follows:

(u) A taxable entity that is a banking corporation shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), 50 percent of its revenue attributable to extensions of credit:

(1) to persons located in this state; or

(2) that are secured by collateral located in this state.

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.