

By: Oliveira

H.B. No. 3927

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the computation of taxable margin for purposes of the  
3 franchise tax by a taxable entity principally engaged in Internet  
4 hosting.

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

6 SECTION 1. Section 171.0001, Tax Code, is amended by adding  
7 Subdivision (9-a) to read as follows:

8 (9-a) "Internet hosting" means providing:

9 (A) access to computer servers and related  
10 devices located in remote, secure data centers; and

11 (B) other similar information technology  
12 services over the Internet including:

13 (i) cloud computing;

14 (ii) computing as a service;

15 (iii) data storage; and

16 (iv) hosted e-mail.

17 SECTION 2. Section 171.106, Tax Code, is amended by adding  
18 Subsection (g) to read as follows:

19 (g) For a taxable entity receiving more than 50 percent of  
20 its total revenue from Internet hosting, receipts from Internet  
21 hosting are receipts from business done in this state if the place  
22 from which the entity's customer's trade or business is directed or  
23 managed is in this state.

24 SECTION 3. This Act applies only to a report originally due

1 on or after the effective date of this Act.

2 SECTION 4. This Act takes effect September 1, 2009.