

By: Oliveira, Paxton, Hopson, Callegari,
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H.B. No. 4765

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the total revenue exemption for the franchise tax.

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

4 SECTION 1. TEMPORARY EXEMPTION INCREASE. Section
5 171.002(d), Tax Code, is amended to read as follows:

6 (d) A taxable entity is not required to pay any tax and is
7 not considered to owe any tax for a period if:

8 (1) the amount of tax computed for the taxable entity
9 is less than \$1,000; or

10 (2) the amount of the taxable entity's total revenue
11 from its entire business is less than or equal to \$1 million
12 [~~\$300,000~~] or the amount determined under Section 171.006 per
13 12-month period on which margin is based.

14 SECTION 2. SUNSET OF TEMPORARY INCREASE. Effective January
15 1, 2012, Section 171.002(d), Tax Code, is amended to read as
16 follows:

17 (d) A taxable entity is not required to pay any tax and is
18 not considered to owe any tax for a period if:

19 (1) the amount of tax computed for the taxable entity
20 is less than \$1,000; or

21 (2) the amount of the taxable entity's total revenue
22 from its entire business is less than or equal to \$300,000 or the
23 amount determined under Section 171.006 per 12-month period on
24 which margin is based.

1 SECTION 3. TRANSITION. (a) Section 171.002(d), Tax Code,
2 as amended by Section 1 of this Act, applies only to a report
3 originally due on or after the effective date of this Act.

4 (b) Section 171.002(d), Tax Code, as amended by Section 2 of
5 this Act, applies only to a report originally due on or after
6 January 1, 2012.

7 SECTION 4. EFFECTIVE DATE. This Act takes effect January 1,
8 2010.