

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

A BILL TO BE ENTITLED

AN ACT

relating to the total revenue exemption for the franchise tax.

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

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

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

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

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

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

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

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

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