

By: Van de Putte

S.B. No. 818

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the exclusion of certain payments from the total  
3 revenue of certain taxable entities for purposes of the franchise  
4 tax.

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 (g-6) to read as follows:

8 (g-6) A taxable entity that is a qualified destination  
9 management company shall exclude from its total revenue, to the  
10 extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3),  
11 payments made to other persons to provide services, labor, or  
12 materials in connection with the provision of destination  
13 management services. In this subsection:

14 (1) "Destination management services" means the  
15 following services:

16 (A) transportation management;

17 (B) booking and managing entertainers;

18 (C) coordination of tours or recreational  
19 activities;

20 (D) meeting, conference, or event registration;

21 (E) meeting, conference, or event staffing;

22 (F) event management; and

23 (G) meal coordination.

24 (2) "Qualified destination management company" means

1 a taxable entity that:

2 (A) receives at least 80 percent of the entity's  
3 annual total revenue from its entire business from providing or  
4 arranging for the provision of a combination of at least four  
5 destination management services;

6 (B) maintains a permanent nonresidential office  
7 from which the destination management services are provided or  
8 arranged;

9 (C) has at least three full-time employees during  
10 all or part of the period on which margin is based;

11 (D) other than office equipment used in the  
12 conduct of the entity's business, does not own equipment used to  
13 directly provide destination management services, including motor  
14 coaches, limousines, sedans, dance floors, decorative props,  
15 lighting, podiums, sound or video equipment, or equipment for  
16 catered meals;

17 (E) is not doing business as a caterer;

18 (F) does not provide services for weddings; and

19 (G) does not own a venue at which events or  
20 activities for which destination management services are provided  
21 occur.

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

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