

By: Fraser

S.B. No. 1697

A BILL TO BE ENTITLED

AN ACT

relating to the tax rate for certain retail electric providers.

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

SECTION 1. Subchapter A, Chapter 171, Tax Code, is amended by adding Section 171.0022 to read as follows:

Sec. 171.0022. TAX RATE FOR CERTAIN RETAIL ELECTRIC PROVIDERS. If a taxable entity obtains more than 90 percent of its annual total revenue from its activities in retail or wholesale trade, and the taxable entity owns a retail electric provider as defined by Section 31.002, Utilities Code:

(1) the total revenue generated from its activities in retail or wholesale trade is subject to the tax rate found in Section 171.002(b) if the taxable entity meets the requirements under Section 171.002(c)(1) and (2);

(2) Section 171.002(c)(3) does not apply; and

(3) the total revenue generated from the retail electric provider as defined by Section 31.002, Utilities Code, is subject to the tax rate found in Section 171.002(a).

SECTION 2. This Act takes effect January 1, 2010.