

House Bill 4765
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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:

SENATE VERSION

SECTION 1. (a) 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.

(b) This section takes effect only if H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, amends Section 155.0211, Tax Code, in a manner that results in an increase in the revenue from the tax under that section during the state fiscal biennium beginning September 1, 2009, that is attributable to that change, and that Act is enacted and becomes law. If H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, does not amend Section 155.0211, Tax Code, in that manner or is not enacted or does not become law, this section has no effect.

(c) If this section takes effect, this section expires December 31, 2011.

(d) This section applies only to a report originally due on or after the effective date of this section.

SECTION 2. (a) Section 171.002(d), Tax Code, is amended to read as follows:

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(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.

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

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

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(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 **\$600,000** ~~[\$300,000]~~ or the amount determined under Section 171.006 per 12-month period on which margin is based.

(b) This section takes effect January 1, 2012, if H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, amends Section 155.0211, Tax Code, in a manner that results in an increase in the revenue from the tax under that section during the state fiscal biennium beginning September 1, 2009, that is attributable to that change, and that Act is enacted and becomes law. If H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, does not amend Section 155.0211, Tax Code, in that manner or is not enacted or does not become law, this section takes effect January 1, 2010.

(c) This section applies only to a report originally due on or after the effective date of this section.

No equivalent provision.

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No equivalent provision.

SECTION 3. (a) Section 171.0021(a), Tax Code, is amended to read as follows:

(a) A taxable entity is entitled to a discount of the tax imposed under this chapter that the taxable entity is required to pay after determining its taxable margin under Section 171.101, applying the appropriate rate of the tax under Section 171.002(a) or (b), and subtracting any other allowable credits, as follows:

(1) ~~[for a taxable entity for which the total revenue from its entire business is greater than \$300,000 but less than \$400,000, the taxable entity is entitled to a discount of 80 percent;~~

~~[(2) for a taxable entity for which the total revenue from its entire business is equal to or greater than \$400,000 but less than \$500,000, the taxable entity is entitled to a discount of 60 percent;~~

~~[(3) for a taxable entity for which the total revenue from its entire business is [equal to or] greater than \$600,000 [500,000] but less than \$700,000, the taxable entity is entitled to a discount of 40 percent; and~~

~~(2) [(4)] for a taxable entity for which the total revenue from its entire business is equal to or greater than \$700,000 but less than \$900,000, the taxable entity is entitled to a discount of 20 percent.~~

(b) This section takes effect January 1, 2012, if H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, amends Section 155.0211, Tax Code, in a manner that results in an increase in the revenue from the tax under that section during the state fiscal biennium beginning September 1, 2009, that is attributable to that

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change, and that Act is enacted and becomes law. If H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, does not amend Section 155.0211, Tax Code, in that manner or is not enacted or does not become law, this section takes effect January 1, 2010.

(c) This section applies only to a report originally due on or after the effective date of this section.

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

SECTION 4. **Except as otherwise provided by this Act,** this Act takes effect January 1, 2010.