

By: Murphy

H.B. No. 2645

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the exclusion of subcontracting payments made by a
3 staff leasing services company in determining total revenue for
4 purposes of the franchise tax.

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

6 SECTION 1. Section 171.1011(k), Tax Code, is amended to
7 read as follows:

8 (k) A taxable entity that is a staff leasing services
9 company shall exclude from its total revenue:

10 (1) payments received from a client company for wages,
11 payroll taxes on those wages, employee benefits, and workers'
12 compensation benefits for the assigned employees of the client
13 company; and

14 (2) subcontracting payments made by the taxable entity
15 to nonemployee agents for the performance of services on behalf of
16 the taxable entity.

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

19 SECTION 3. This Act takes effect January 1, 2012.