

By: Pitts

H.B. No. 3642

A BILL TO BE ENTITLED

AN ACT

relating to the dates on which franchise tax payments are due from certain taxable entities.

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

SECTION 1. Section 171.152(c), Tax Code, is amended to read as follows:

(c) Except as provided by Section 171.153, payment ~~Payment~~ of the tax covering the regular annual period is due May 15~~7~~ of each year after the beginning of the regular annual period. However, if the first anniversary of the taxable entity's beginning date is after October 3 and before January 1, the payment of the tax covering the first regular annual period is due on the same date as the tax covering the initial period.

SECTION 2. Subchapter D, Chapter 171, Tax Code, is amended by adding Section 171.153 to read as follows:

Sec. 171.153. DATES ON WHICH PAYMENTS FROM CERTAIN LARGE TAXABLE ENTITIES ARE DUE. (a) For purposes of this section, a "large taxable entity" means a taxable entity for which the amount of the tax reported as due under this chapter for the preceding regular annual period exceeds the median amount of tax reported as due under this chapter of all taxable entities for the same annual period. A taxable entity may not be considered a large taxable entity before the regular annual period following the taxable entity's first regular annual period. Not later than June 1 of each

1 year, the comptroller shall:

2 (1) compute the median tax liability under this  
3 chapter of all taxable entities for the preceding regular annual  
4 period; and

5 (2) post the information on the comptroller's Internet  
6 website for a taxable entity's use in determining whether the  
7 entity is a large taxable entity.

8 (b) A large taxable entity shall pay the tax covering the  
9 regular annual period in five payments. The first four payments are  
10 due July 15, October 15, January 15, and April 15, and each must be  
11 in an amount equal to one-fourth of 90 percent of the large taxable  
12 entity's total tax owed for the preceding regular annual period.  
13 The large taxable entity shall make a final payment equal to the  
14 total tax for the regular annual period, minus the sum of the  
15 amounts of the first four payments. The final payment is due May  
16 15. If the sum of the amounts of the first four payments exceeds the  
17 total tax for the regular annual period, the large taxable entity  
18 may deduct the amount of the overpayment from the next payment  
19 required to be made under this chapter or request a refund of that  
20 amount.

21 (c) A large taxable entity that is authorized to request an  
22 extension under Section 171.202 may request an extension for making  
23 a tax payment required under this section. A request for an  
24 extension under this section must be made in accordance with  
25 procedures adopted by the comptroller by rule that are comparable  
26 to the procedures applicable to a request for an extension under  
27 Section 171.202, including the requirements for remitting a portion

1 of the amount due with the request.

2 (d) The comptroller shall adopt rules as necessary  
3 prescribing:

4 (1) the manner in which payments are made under this  
5 section and any information that must accompany the payments; and

6 (2) procedures for the making and granting of a  
7 request for an extension under this section that are comparable to  
8 the procedures under Section 171.202 to the extent practicable.

9 (e) Notwithstanding the payment schedule required by this  
10 section, a large taxable entity's annual report is due on the date  
11 prescribed by Section 171.202, and a reference in this chapter to  
12 the date the report is originally due means the date prescribed by  
13 that section.

14 SECTION 3. (a) Notwithstanding Section 171.153(a), Tax  
15 Code, as added by this Act, the comptroller of public accounts shall  
16 make the initial computation of median tax liability and post the  
17 information on the comptroller's Internet website as required by  
18 that subsection not later than June 15 of the year in which this Act  
19 takes effect.

20 (b) The initial payment from a large taxpayer under Section  
21 171.153(b), Tax Code, as added by this Act, is due July 15 of the  
22 year in which this Act takes effect.

23 SECTION 4. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect June 1, 2012.