

By: Ogden

S.J.R. No. 52

A JOINT RESOLUTION

1 proposing a constitutional amendment clarifying that a tax imposed  
2 on certain business entities is not subject to Section 24, Article  
3 VIII, Texas Constitution, and imposing certain limitations on the  
4 computation of a tax imposed on a business entity.

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

6 SECTION 1. Section 24, Article VIII, Texas Constitution, is  
7 amended by adding Subsection (k) to read as follows:

8 (k) Notwithstanding any other provision of this section,  
9 this section does not apply to a tax imposed on a business entity  
10 that is organized under the laws of this state, another state, or a  
11 foreign nation to provide liability protection for the owners from  
12 the debts and other obligations of the business entity.

13 SECTION 2. Article VIII, Texas Constitution, is amended by  
14 adding Section 25 to read as follows:

15 Sec. 25. A tax imposed on a business entity may not be  
16 computed using the business entity's taxable margin, as determined  
17 under Section 171.101, Tax Code, as that section existed on January  
18 1, 2011, or a substantially similar tax base.

19 SECTION 3. The following temporary provision is added to  
20 the Texas Constitution:

21 TEMPORARY PROVISION. (a) This temporary provision applies  
22 to the constitutional amendment proposed by the 82nd Legislature,  
23 Regular Session, 2011, clarifying that a tax imposed on a business  
24 entity organized to provide liability protection for the owners

1 from the debts and other obligations of the business entity is not a  
2 tax subject to Section 24, Article VIII, of this constitution and  
3 imposing certain limitations on the manner in which a tax imposed on  
4 a business entity may be computed.

5 (b) The changes made by Section 25, Article VIII, of this  
6 constitution, as added by the amendment, apply only to a tax  
7 liability of a business entity that is originally due on or after  
8 January 1, 2014.

9 (c) This temporary provision expires January 1, 2015.

10 SECTION 4. This proposed constitutional amendment shall be  
11 submitted to the voters at an election to be held November 8, 2011.  
12 The ballot shall be printed to provide for voting for or against the  
13 proposition: "The constitutional amendment clarifying that a tax  
14 imposed on a business entity organized to provide liability  
15 protection for the owners from the debts and other obligations of  
16 the business entity is not subject to Section 24, Article VIII,  
17 Texas Constitution, and imposing certain limitations on the manner  
18 in which a tax imposed on a business entity may be computed."