

By: Harper-Brown

H.B. No. 78

A BILL TO BE ENTITLED

AN ACT

relating to decreasing the rates of the franchise tax.

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

SECTION 1. Sections 171.002(a) and (b), Tax Code, are amended to read as follows:

(a) Subject to Sections 171.003 and 171.1016 and except as provided by Subsection (b), the rate of the franchise tax is 0.75 [~~one~~] percent of taxable margin.

(b) Subject to Sections 171.003 and 171.1016, the rate of the franchise tax is 0.25 [~~0.5~~] percent of taxable margin for those taxable entities primarily engaged in retail or wholesale trade.

SECTION 2. If H.B. No. 500, Acts of the 83rd Legislature, Regular Session, 2013, becomes law, Sections 171.0022 and 171.0023, Tax Code, as added by that Act, have no effect.

SECTION 3. This Act applies only to a report originally due on or after the effective date of this Act.

SECTION 4. This Act takes effect January 1, 2014.