

By: Hilderbran, Villalba, Workman, Lozano,  
Capriglione, et al.

H.B. No. 213

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the \$1 million total revenue exemption for the  
3 franchise tax.

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

5 SECTION 1. Section 1(c), Chapter 286 (H.B. 4765), Acts of  
6 the 81st Legislature, Regular Session, 2009, as amended by Section  
7 37.01, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called  
8 Session, 2011, is repealed.

9 SECTION 2. Section 2, Chapter 286 (H.B. 4765), Acts of the  
10 81st Legislature, Regular Session, 2009, as amended by Section  
11 37.02, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called  
12 Session, 2011, and which amended former Subsection (d), Section  
13 171.002, Tax Code, is repealed.

14 SECTION 3. Section 3, Chapter 286 (H.B. 4765), Acts of the  
15 81st Legislature, Regular Session, 2009, as amended by Section  
16 37.03, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called  
17 Session, 2011, and which amended former Subsection (a), Section  
18 171.0021, Tax Code, is repealed.

19 SECTION 4. (a) Effective January 1, 2016, Section  
20 171.002(d), Tax Code, as amended by Section 1(a), Chapter 286 (H.B.  
21 4765), Acts of the 81st Legislature, Regular Session, 2009, is  
22 amended to read as follows:

23 (d) A taxable entity is not required to pay any tax and is  
24 not considered to owe any tax for a period if:

1           (1) the amount of tax computed for the taxable entity  
2 is less than \$1,000; or

3           (2) the amount of the taxable entity's total revenue  
4 from its entire business is less than or equal to \$5 [~~\$1~~] million or  
5 the amount determined under Section 171.006 per 12-month period on  
6 which margin is based.

7           (b) Effective January 1, 2018, Section 171.002(d), Tax  
8 Code, as amended by Section 1(a), Chapter 286 (H.B. 4765), Acts of  
9 the 81st Legislature, Regular Session, 2009, is amended to read as  
10 follows:

11           (d) A taxable entity is not required to pay any tax and is  
12 not considered to owe any tax for a period if:

13           (1) the amount of tax computed for the taxable entity  
14 is less than \$1,000; or

15           (2) the amount of the taxable entity's total revenue  
16 from its entire business is less than or equal to \$10 [~~\$1~~] million  
17 or the amount determined under Section 171.006 per 12-month period  
18 on which margin is based.

19           (c) Effective January 1, 2020, Section 171.002(d), Tax  
20 Code, as amended by Section 1(a), Chapter 286 (H.B. 4765), Acts of  
21 the 81st Legislature, Regular Session, 2009, is amended to read as  
22 follows:

23           (d) A taxable entity is not required to pay any tax and is  
24 not considered to owe any tax for a period if:

25           (1) the amount of tax computed for the taxable entity  
26 is less than \$1,000; or

27           (2) the amount of the taxable entity's total revenue

1 from its entire business is less than or equal to \$15 [~~\$1~~] million  
2 or the amount determined under Section 171.006 per 12-month period  
3 on which margin is based.

4 (d) Effective January 1, 2022, Section 171.002(d), Tax  
5 Code, as amended by Section 1(a), Chapter 286 (H.B. 4765), Acts of  
6 the 81st Legislature, Regular Session, 2009, is amended to read as  
7 follows:

8 (d) A taxable entity is not required to pay any tax and is  
9 not considered to owe any tax for a period if:

10 (1) the amount of tax computed for the taxable entity  
11 is less than \$1,000; or

12 (2) the amount of the taxable entity's total revenue  
13 from its entire business is less than or equal to \$20 [~~\$1~~] million  
14 or the amount determined under Section 171.006 per 12-month period  
15 on which margin is based.

16 (e) This section applies only to a report originally due on  
17 or after January 1, 2016.

18 SECTION 5. Section 171.006(b), Tax Code, is amended to read  
19 as follows:

20 (b) Beginning in 2010, on January 1 of each even-numbered  
21 year, the amounts prescribed by Sections 171.002(d)(2) [~~7~~  
22 ~~171.00217~~] and 171.1013(c) are increased or decreased by an amount  
23 equal to the amount prescribed by those sections on December 31 of  
24 the preceding year multiplied by the percentage increase or  
25 decrease during the preceding state fiscal biennium in the consumer  
26 price index and rounded to the nearest \$10,000.

27 SECTION 6. Sections 171.0021 and 171.1016(d), Tax Code, are

1 repealed.

2           SECTION 7. Except as otherwise provided by this Act, this  
3 Act takes effect immediately if it receives a vote of two-thirds of  
4 all the members elected to each house, as provided by Section 39,  
5 Article III, Texas Constitution. If this Act does not receive the  
6 vote necessary for immediate effect, this Act takes effect  
7 September 1, 2013.