

By: Hilderbran

H.B. No. 1289

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the exclusion of certain transportation services costs
3 in determining total revenue for purposes of the franchise tax.

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

5 SECTION 1. Section 171.1011, Tax Code, is amended by adding
6 Subsection (v) to read as follows:

7 (v) A taxable entity primarily engaged in the business of
8 transporting commodities by waterways that does not subtract cost
9 of goods sold in computing its taxable margin shall exclude from its
10 total revenue direct costs of providing inbound and outbound
11 transportation services by intrastate or interstate waterways to
12 the same extent that a taxable entity that sells in the ordinary
13 course of business real or tangible personal property would be
14 authorized by Section 171.1012 to subtract those costs as costs of
15 goods sold in computing its taxable margin.

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

18 SECTION 3. This Act takes effect January 1, 2014.