

By: N. Gonzalez of El Paso

H.B. No. 1596

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the exclusion of certain flow-through funds by taxable
3 entities engaged in the business of transporting barite in
4 determining total revenue for purposes of the franchise tax.

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

6 SECTION 1. Section 171.1011, Tax Code, is amended by adding
7 Subsection (g-10) to read as follows:

8 (g-10) A taxable entity that is primarily engaged in the
9 business of transporting barite shall exclude from its total
10 revenue, to the extent included under Subsection (c)(1)(A),
11 (c)(2)(A), or (c)(3), subcontracting payments made by the taxable
12 entity to nonemployee agents for the performance of transportation
13 services on behalf of the taxable entity. For purposes of this
14 subsection, "barite" means barium sulfate (BaSO4), a mineral used
15 as a weighing agent in oil and gas exploration.

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.