

By: Harper-Brown

H.B. No. 2584

A BILL TO BE ENTITLED

AN ACT

relating to the \$1 million total revenue exemption for the franchise tax; 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. (a) Section 1(c), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.01, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, is repealed.

(b) This section takes effect September 1, 2013.

SECTION 3. (a) Section 2, Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.02, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, and which amended former Subsection (d), Section 171.002, Tax Code, is repealed.

(b) This section takes effect September 1, 2013.

SECTION 4. (a) Section 3, Chapter 286 (H.B. 4765), Acts of

1 the 81st Legislature, Regular Session, 2009, as amended by Section
2 37.03, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called
3 Session, 2011, and which amended former Subsection (a), Section
4 171.0021, Tax Code, is repealed.

5 (b) This section takes effect September 1, 2013.

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

8 (b) Beginning in 2010, on January 1 of each even-numbered
9 year, the amounts prescribed by Sections 171.002(d)(2)[~~7~~
10 ~~171.0021,~~] and 171.1013(c) are increased or decreased by an amount
11 equal to the amount prescribed by those sections on December 31 of
12 the preceding year multiplied by the percentage increase or
13 decrease during the preceding state fiscal biennium in the consumer
14 price index and rounded to the nearest \$10,000.

15 SECTION 6. Sections 171.0021 and 171.1016(d), Tax Code, are
16 repealed.

17 SECTION 7. This Act applies only to a report originally due
18 on or after January 1, 2014.

19 SECTION 8. Except as otherwise provided by this Act, this
20 Act takes effect January 1, 2014.