

By: Eiland

H.B. No. 3454

A BILL TO BE ENTITLED

1 AN ACT
2 relating to an exemption from the franchise tax for certain
3 insurance entities.

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

5 SECTION 1. Section 171.052(a), Tax Code, is amended to read
6 as follows:

7 (a) Except as provided by Subsection (c), an insurance
8 organization, title insurance company, or title insurance agent
9 authorized to engage in insurance business in this state that is
10 ~~[now]~~ required to pay an annual tax ~~[under Chapter 4 or 9, Insurance~~
11 ~~Code,]~~ measured by its gross premium receipts is exempted from the
12 franchise tax. A nonadmitted insurance organization that is
13 required to pay a gross premium receipts tax during a tax year is
14 exempted from the franchise tax for that same tax year. A
15 nonadmitted insurance organization that is subject to an occupation
16 tax in another state or a foreign jurisdiction is exempted from the
17 franchise tax.

18 SECTION 2. This Act applies to a report originally due on or
19 after the effective date of this Act.

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