

By: Hinojosa

S.B. No. 781

A BILL TO BE ENTITLED

AN ACT

1  
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.