

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 13, 2013**

**TO:** Honorable Tommy Williams, Chair, Senate Committee on Finance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB2385** by Capriglione (Relating to eliminating the requirement that a combined group include in its franchise tax report information about gross receipts of members who do not have nexus with this state.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

This bill would amend Chapter 171 of the Tax Code, regarding the franchise tax, to repeal sections dealing with reporting requirements for a combined group. Under current law a taxable entity that is a combined group is required to include in the tax report information on each member of the combined group that does not have nexus with this state. The information includes the amount of receipts for the member derived from business done in this state and the amount of those receipts that were subject to tax in another state under a throwback law or regulation.

The sections repealed by the bill have no effect on the calculation of franchise tax liability for any taxable entity. The bill would have no impact on franchise tax revenue.

The bill would take effect on January 1, 2014, and apply to a report due on or after that date.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD