

By: Bonnen of Brazoria, Murphy, Parker,
Oliveira, Simmons, et al.

H.B. No. 32

Substitute the following for H.B. No. 32:

By: Wray

C.S.H.B. No. 32

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the computation and rates of the franchise tax;
3 decreasing tax rates; amending provisions subject to a criminal
4 penalty.

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

6 SECTION 1. Sections 171.002(a) and (b), Tax Code, are
7 amended to read as follows:

8 (a) Subject to Sections 171.003 and 171.1016 and except as
9 provided by Subsection (b), the rate of the franchise tax is 0.75
10 [~~one~~] percent of taxable margin.

11 (b) Subject to Sections 171.003 and 171.1016, the rate of
12 the franchise tax is 0.375 [~~0.5~~] percent of taxable margin for those
13 taxable entities primarily engaged in retail or wholesale trade.

14 SECTION 2. Sections 171.1016(a) and (b), Tax Code, are
15 amended to read as follows:

16 (a) Notwithstanding any other provision of this chapter, a
17 taxable entity whose total revenue from its entire business is not
18 more than \$20 [~~\$10~~] million may elect to pay the tax imposed under
19 this chapter in the amount computed and at the rate provided by this
20 section rather than in the amount computed and at the tax rate
21 provided by Section 171.002.

22 (b) The amount of the tax for which a taxable entity that
23 elects to pay the tax as provided by this section is liable is
24 computed by:

1 (1) determining the taxable entity's total revenue
2 from its entire business, as determined under Section [171.1011](#);

3 (2) apportioning the amount computed under
4 Subdivision (1) to this state, as provided by Section [171.106](#), to
5 determine the taxable entity's apportioned total revenue; and

6 (3) multiplying the amount computed under Subdivision
7 (2) by the rate of 0.331 [~~0.575~~] percent.

8 SECTION 3. This Act applies only to a report originally due
9 on or after the effective date of this Act.

10 SECTION 4. This Act takes effect January 1, 2016.