

A BILL TO BE ENTITLED

AN ACT

relating to the EZ computation of the franchise tax.

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

SECTION 1. Section 171.1016, Tax Code, is amended to read as follows:

Sec. 171.1016. E-Z COMPUTATION [~~AND RATE~~]. (a) Notwithstanding any other provision of this chapter, a taxable entity whose total revenue from its entire business is not more than \$10 million may elect to pay the tax imposed under this chapter in the amount computed under [~~and at the rate provided by~~] this section rather than in the amount computed and at the tax rate provided by Section 171.002.

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

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

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

(3) finding the amount of tax in the table below that corresponds to the taxable entity's apportioned total revenue:

<u>Apportioned Total Revenue</u>	<u>Tax</u>
<u>\$1,000,001-\$2,000,000</u>	<u>\$1</u>

1	<u>\$2,000,001-\$3,000,000</u>	<u>\$2</u>
2	<u>\$3,000,001-\$4,000,000</u>	<u>\$3</u>
3	<u>\$4,000,001-\$5,000,000</u>	<u>\$4</u>
4	<u>\$5,000,001-\$6,000,000</u>	<u>\$5</u>
5	<u>\$6,000,001-\$7,000,000</u>	<u>\$6</u>
6	<u>\$7,000,001-\$8,000,000</u>	<u>\$7</u>
7	<u>\$8,000,001-\$9,000,000</u>	<u>\$8</u>
8	<u>\$9,000,001-\$10,000,000</u>	<u>\$9</u>

9 [~~(3) multiplying the amount computed under~~  
10 ~~Subdivision (2) by the rate of 0.575 percent.~~]

11 (c) A taxable entity that elects to pay the tax as provided  
12 by this section may not take a credit, deduction, or other  
13 adjustment that is not specifically authorized by this section.

14 (d) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1232, Sec.  
15 15, eff. January 1, 2014.

16 (e) A reference in this chapter or other law to the rate of  
17 the franchise tax means, as appropriate, the rate under Section  
18 [171.002](#) or, for a taxable entity that elects to pay the tax as  
19 provided by this section, the rate calculated by dividing the  
20 amount of tax determined according to the table in Subsection  
21 (b)(3) by the taxable entity's apportioned total revenue [~~under~~  
22 ~~this section~~].

23 SECTION 2. This Act applies only to a report originally due  
24 on or after the effective date of this Act.

25 SECTION 3. This Act takes effect January 1, 2016.