

By: Keough

H.B. No. 321

A BILL TO BE ENTITLED

AN ACT

A bill relating to the repeal of the franchise tax.

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

SECTION 1. This act may be cited as the Business Tax Relief Act.

SECTION 2. Section 1(c), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.01, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, is repealed.

SECTION 3. Section 2, Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.02, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, and which amended former Subsection (d), Section 171.002, Tax Code, is repealed.

SECTION 4. Section 3, Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.03, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, and which amended former Subsection (a), Section 171.0021, Tax Code, is repealed.

SECTION 5. (a) Chapter 171, Tax Code, is repealed.

(b) A taxable entity that is subject to the franchise tax imposed under Chapter 171, Tax Code, on December 31, 2015, shall file a final franchise tax return and pay a transitional tax as required by this subsection on or before May 15, 2016. The

1 transitional tax is equal to the tax the taxable entity would have
2 paid in 2016 under Chapter 171, Tax Code, if Chapter 171, Tax Code,
3 had not been repealed. The provisions of Chapter 171, Tax Code,
4 relating to the computation and payment of the franchise tax remain
5 in effect after the repeal of Chapter 171, Tax Code, by this section
6 for the purposes of computing and paying the transitional tax
7 required by this subsection.

8 (c) Chapter 171, Tax Code, and Subtitle B, Title 2, Tax
9 Code, continue to apply to audits, deficiencies, redeterminations,
10 and refunds of any tax due or collected under Chapter 171, including
11 the tax due as provided by Subsection (b) of this section, until
12 barred by limitations.

13 (d) The repeal of Chapter 171, Tax Code, does not affect:

14 (1) the status of a taxable entity that has had its
15 corporate privileges, certificate of authority, certificate of
16 organization, certificate of limited partnership, corporate
17 charter, or registration revoked, suit filed against it, or a
18 receiver appointed under Subchapter F, G, or H of that chapter;

19 (2) the ability of the comptroller, secretary of
20 state, or attorney general to take action against a taxable entity
21 under Subchapter F, G, or H of that chapter for actions that took
22 place before the repeal; or

23 (3) the right of a taxable entity to contest a
24 forfeiture, revocation, lawsuit, or appointment of a receiver under
25 Subchapter F, G, or H of that chapter.

26 (e) This section takes effect January 1, 2017.

27 SECTION 6. Sections 171.0021 and [171.1016](#)(d), Tax Code, are

1 repealed.

2 SECTION 7. Except as otherwise provided by this Act, this
3 Act applies only to a report originally due on or after the
4 effective date of this Act.

5 SECTION 8. Except as otherwise provided by this Act, this
6 Act takes effect January 1, 2016.