

By: Bohac

H.B. No. 1316

A BILL TO BE ENTITLED

1 AN ACT

2 relating to decreasing the rates of the franchise tax.

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

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

6 (a) Subject to Sections 171.003 and 171.1016 and except as  
7 provided by Subsection (b), the rate of the franchise tax is 0.95  
8 [~~one~~] percent of taxable margin.

9 (b) Subject to Sections 171.003 and 171.1016, the rate of  
10 the franchise tax is 0.475 [~~0.5~~] percent of taxable margin for those  
11 taxable entities primarily engaged in retail or wholesale trade.

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

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