

By: Sanford

H.B. No. 2427

A BILL TO BE ENTITLED

AN ACT

relating to a franchise tax credit for taxable entities that pay tolls and other charges for use of a toll road.

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

SECTION 1. Chapter 171, Tax Code, is amended by adding Subchapter N to read as follows:

SUBCHAPTER N. TAX CREDIT FOR TOLLS PAID

Sec. 171.701. ENTITLEMENT TO CREDIT. A taxable entity is entitled to a credit in the amount and under the conditions and limitations provided by this subchapter against the tax imposed under this chapter.

Sec. 171.702. QUALIFICATION. A taxable entity qualifies for a credit under this subchapter if the taxable entity pays a toll or other charge imposed for the use of a toll road located in this state.

Sec. 171.703. AMOUNT; LIMITATIONS. (a) The amount of the credit is equal to 50 percent of the total amount of tolls and other charges paid by the taxable entity during a reporting period for the use of a toll road located in this state.

(b) A taxable entity may not convey, assign, or transfer a credit under this subchapter to another entity unless all of the assets of the taxable entity are conveyed, assigned, or transferred in the same transaction.

Sec. 171.704. APPLICATION FOR CREDIT. A taxable entity

1 must apply for a credit under this subchapter on or with the tax
2 report for the period for which the credit is claimed.

3 Sec. 171.705. RULES. The comptroller shall adopt rules
4 necessary to implement this subchapter.

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

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