

By: Parker

H.B. No. 2637

A BILL TO BE ENTITLED

1 AN ACT
2 relating to apportionment of margin from receipts from the sale of
3 locomotives for purposes of the franchise tax.

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

5 SECTION 1. Section 171.106, Tax Code, is amended by adding
6 Subsection (h) to read as follows:

7 (h) A taxable entity's margin that is derived from receipts
8 from the sale of locomotives sold for use in interstate commerce is
9 apportioned to this state to determine the amount of the tax imposed
10 under Section 171.002 by multiplying the taxable entity's total
11 margin from receipts from the sale of locomotives sold for use in
12 interstate commerce by a fraction, the numerator of which is the
13 number of miles of railway track in this state and the denominator
14 of which is the number of miles of railway track in the United
15 States. In this subsection, "locomotive" means self-propelled
16 railroad equipment consisting of one or more units designed to
17 operate on stationary steel rails or electromagnetic guideways.

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

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