

By: Stephenson

H.B. No. 3399

A BILL TO BE ENTITLED

AN ACT

relating to franchise tax payments and reports.

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

SECTION 1. Section 171.152(c), Tax Code, is amended to read as follows:

(c) Payment of the tax covering the regular annual period is due May 15 [7] of each year after the beginning of the regular annual period unless the taxable entity receives an extension under Section 171.202(c), in which case payment of the tax is due November 15 of that year. However, if the first anniversary of the taxable entity's beginning date is after October 3 and before January 1, the payment of the tax covering the first regular annual period is due on the same date as the tax covering the initial period.

SECTION 2. Section 171.202(c), Tax Code, is amended to read as follows:

(c) The comptroller shall grant an extension of time to a taxable entity [~~that is not required by rule to make its tax payments by electronic funds transfer~~] for the filing of a report required by this section to any date on or before the next November 15, if a taxable entity:

(1) requests the extension, on or before May 15, on a form provided by the comptroller; and

(2) remits with the request interest on the amount of tax reported as due on or before November 15 at the interest rate

1 prescribed by Section 111.060 [+

2 [~~(A) not less than 90 percent of the amount of tax~~
3 ~~reported as due on the report filed on or before November 15; or~~

4 [~~(B) 100 percent of the tax reported as due for~~
5 ~~the previous calendar year on the report due in the previous~~
6 ~~calendar year and filed on or before May 14].~~

7 SECTION 3. Section 171.362, Tax Code, is amended by
8 amending Subsection (d) and adding Subsection (g) to read as
9 follows:

10 (d) If a taxable entity required [~~electing~~] to remit
11 interest under Section 171.202(c)(2) [~~171.202(c)(2)(A)~~] remits
12 less than the amount required, the penalties imposed by this
13 chapter [~~section~~] and the interest imposed under Section 111.060
14 are assessed against the difference between the amount required to
15 be remitted under Section 171.202(c)(2) [~~171.202(c)(2)(A)~~] and the
16 amount actually remitted on or before May 15.

17 (g) For purposes of this section, a payment made by
18 electronic funds transfer is considered to be made on the date the
19 electronic funds transfer is initiated by the taxpayer if:

20 (1) the electronic funds transfer is initiated not
21 later than the last day the payment may be timely made; and

22 (2) the comptroller receives the money not later than
23 the second business day after the last day the payment may be timely
24 made.

25 SECTION 4. Sections 171.202(d), (e), (f), (h), and (i), Tax
26 Code, are repealed.

27 SECTION 5. This Act applies only to a report originally due

1 on or after the effective date of this Act.

2 SECTION 6. Section 171.362(g), Tax Code, as added by this
3 Act, applies only to a payment initiated on or after the effective
4 date of this Act. A payment initiated before the effective date of
5 this Act is governed by the law in effect on the date the payment was
6 initiated, and the former law is continued in effect for that
7 purpose.

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