

By: Bonnen of Brazoria

H.B. No. 3471

A BILL TO BE ENTITLED

AN ACT

relating to the taxable entities from which no franchise tax payments are due for a period.

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

SECTION 1. Section 171.002(d), Tax Code, is amended to read as follows:

(d) A taxable entity is not required to pay any tax and is not considered to owe any tax for a period if:

(1) the amount of tax computed for the taxable entity is less than \$1,000; ~~or~~

(2) the amount of the taxable entity's total revenue from its entire business is less than or equal to \$1 million or the amount determined under Section 171.006 per 12-month period on which margin is based; or

(3) the taxable entity reports a loss on its federal income tax return for the period on which margin is based.

SECTION 2. Section 171.1015(d), Tax Code, is amended to read as follows:

(d) Section 171.002(d) does not apply to an upper tier entity if, before the attribution of any total revenue by a lower tier entity to an upper tier entity under this section, the lower tier entity does not meet the criteria of Section 171.002(d)(1), ~~or~~ (d)(2), or (d)(3).

SECTION 3. This Act applies only to a report originally due

1 on or after the effective date of this Act.

2 SECTION 4. This Act takes effect January 1, 2016.