

By: Nelson, et al.

S.B. No. 7

A BILL TO BE ENTITLED

AN ACT

relating to decreasing the rates of the franchise tax.

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

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

(a) Subject to Sections 171.003 and 171.1016 and except as provided by Subsection (b), the rate of the franchise tax is 0.85 ~~[one]~~ percent of taxable margin.

(b) Subject to Sections 171.003 and 171.1016, the rate of the franchise tax is 0.425 ~~[0.5]~~ percent of taxable margin for those taxable entities primarily engaged in retail or wholesale trade.

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

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