

By: Wray

H.B. No. 423

Substitute the following for H.B. No. 423:

By: Bohac

C.S.H.B. No. 423

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the computation of cost of goods sold for purposes of  
3 the franchise tax by taxable entities that transport ready-mixed  
4 concrete.

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

6 SECTION 1. Section [171.1012](#), Tax Code, is amended by adding  
7 Subsection (r) to read as follows:

8 (r) Notwithstanding Subsection (e)(3) or (6), a taxable  
9 entity that transports ready-mixed concrete may subtract as cost of  
10 goods sold distribution and rehandling costs regardless of whether  
11 the taxable entity owns the ready-mixed concrete.

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

14 SECTION 3. This Act takes effect January 1, 2020.