

By: Anderson of Dallas

H.B. No. 2961

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the exclusion of certain payments from total revenue
3 for purposes of the franchise tax.

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

5 SECTION 1. Section 171.1011, Tax Code, is amended by adding
6 Subsection (y) to read as follows:

7 (y) A taxable entity that is primarily engaged in the
8 business of information technology staffing shall exclude from its
9 total revenue, to the extent included under Subsection (c)(1)(A),
10 (c)(2)(A), or (c)(3), subcontracting payments made under a contract
11 or subcontract entered into by the taxable entity to provide
12 services, labor, or materials in connection with the actual or
13 proposed design of software or the provision of information
14 technology services.

15 SECTION 2. Section 171.1011(y), Tax Code, as added by this
16 Act, applies only to a report originally due on or after the
17 effective date of this Act.

18 SECTION 3. This Act takes effect January 1, 2018.