

By: Springer

H.B. No. 3345

A BILL TO BE ENTITLED

AN ACT

relating to the definition of "passive entity" for the franchise tax.

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

SECTION 1. Section 171.0003(b), Tax Code, is amended to read as follows:

(b) The income described by Subsection (a)(2) does not include:

(1) rent; ~~or~~

(2) income received by a nonoperator from mineral properties under a joint operating agreement if the nonoperator is a member of an affiliated group and another member of that group is the operator under the same joint operating agreement; or

(3) interest income by a person in the business of making loans to the general public.

SECTION 2. This Act is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the law as amended by this Act.

SECTION 3. This Act takes effect September 1, 2017.