

By: Villalba

H.B. No. 3791

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to an exclusion from total revenue of certain payments  
3 received from an insurance organization that owns a controlling  
4 interest in a taxable entity for purposes of computing the  
5 franchise tax.

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

7 SECTION 1. Sec. 171.1011, Tax Code, is amended by adding new  
8 Subsection (y) to read as follows:

9 (y) A taxable entity shall exclude from its total revenue,  
10 to the extent included under Subsection (c)(1)(A), (c)(2)(A), or  
11 (c)(3), payments received from an insurance organization that is  
12 exempted from the franchise tax, if the insurance organization owns  
13 a controlling interest in the taxable entity.

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

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