

By: Murphy

H.B. No. 3992

A BILL TO BE ENTITLED

AN ACT

relating to a franchise tax exemption for certain cooperatives with a member that has farmer-fruit grower members.

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

SECTION 1. Section 171.071, Tax Code, is amended to read as follows:

Sec. 171.071. EXEMPTION--FARMERS' COOPERATIVE SOCIETY. A cooperative that is either a farmers' cooperative society incorporated under Chapter 51, Agriculture Code, or a cooperative whose single member is a farmers' cooperative described in Section 521(b)(1), Internal Revenue Code, that has at least 500 farmer-fruit grower members, is exempted from the franchise tax.

SECTION 2. The amendment made by this Act to Section 171.071, Tax Code, is a clarification of existing law.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.