86R4334 CJC-F

By:  Shine H.B. No. 2040

A BILL TO BE ENTITLED

AN ACT

relating to the exclusion from total revenue for purposes of the franchise tax of payments received from certain insurance organizations.

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

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

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

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

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