86R12407 CJC-F

By:  Capriglione H.B. No. 3413

A BILL TO BE ENTITLED

AN ACT

relating to the application of the franchise tax to and computation of franchise tax owed by certain entities that hold precious metals.

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

SECTION 1.  Subchapter A, Chapter 171, Tax Code, is amended by adding Section 171.0021 to read as follows:

Sec. 171.0021.  CERTAIN ENTITIES NOT ENGAGED IN BUSINESS IN THIS STATE. (a) In this section:

(1)  "Bullion" has the meaning assigned by Section 2116.001, Government Code.

(2)  "Bullion holder" means a person who holds, stores, purchases, sells, trades, or manages the ownership of platinum, gold, or silver bullion, including gold, silver, or numismatic coins, at the depository.

(3)  "Depository" means the Texas Bullion Depository created under Chapter 2116, Government Code.

(b)  A taxable entity whose only activity in this state is as a bullion holder is not considered to be doing business in this state for purposes of Section 171.001 and is not required to file a report under Subchapter E.

SECTION 2.  Section 171.1011, Tax Code, is amended by adding Subsection (g-13) to read as follows:

(g-13)  A taxable entity that is a bullion holder shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), all gains or losses attributable to the purchase or the sale, trade, barter, gift, donation, or other disposal of platinum, gold, or silver bullion, including gold, silver, or numismatic coins. For purposes of this subsection, "bullion" and "bullion holder" have the meanings assigned by Section 171.0021.

SECTION 3.  This Act applies only to a report originally due on or after the effective date of this Act.

SECTION 4.  This Act takes effect January 1, 2020.