86R5324 CJC-D

By:  Birdwell S.B. No. 644

A BILL TO BE ENTITLED

AN ACT

relating to the computation of cost of goods sold for purposes of the franchise tax by taxable entities that transport ready-mixed concrete.

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

SECTION 1.  Section 171.1012, Tax Code, is amended by adding Subsection (r) to read as follows:

(r)  Notwithstanding Subsection (e)(3) or (6), a taxable entity that transports ready-mixed concrete may subtract as cost of goods sold distribution and rehandling costs regardless of whether the taxable entity owns the ready-mixed concrete.

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.