

By: Shine

H.B. No. 2040

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the exclusion from total revenue for purposes of the  
3 franchise tax of payments received from certain insurance  
4 organizations.

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

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

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

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

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