

By: Capriglione

H.B. No. 3413

Substitute the following for H.B. No. 3413:

By: Shaheen

C.S.H.B. No. 3413

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

10 (1) "Bullion" has the meaning assigned by Section
11 2116.001, Government Code.

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

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

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

22 (g-13) A taxable entity that is a bullion holder shall
23 exclude from its total revenue, to the extent included under
24 Subsection (c)(1)(A), (c)(2)(A), or (c)(3), all gains or losses

1 attributable to the purchase or the sale, trade, barter, gift,
2 donation, or other disposal of platinum, gold, or silver bullion,
3 including gold, silver, or numismatic coins. For purposes of this
4 subsection, "bullion" and "bullion holder" have the meanings
5 assigned by Section 171.0021.

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

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