

By: Capriglione

H.B. No. 3413

A BILL TO BE ENTITLED

AN ACT

1
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, at the depository.

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

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

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

24 (g-13) A taxable entity that is a bullion holder shall

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

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

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