

By: Cason

H.B. No. 3000

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of the franchise tax; making an appropriation.

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

SECTION 1. (a) Chapter 171, Tax Code, is repealed.

(b) A taxable entity that is subject to the franchise tax imposed under Chapter 171, Tax Code, on December 31, 2021, is not required to file a franchise tax report or pay a tax on the taxable entity's taxable margin for the period ending on that date.

(c) Chapter 171, Tax Code, as that chapter existed immediately before its repeal by this Act, and Subtitle B, Title 2, Tax Code, continue to apply to audits, deficiencies, redeterminations, and refunds of any tax due or collected under Chapter 171 until barred by limitations.

(d) The repeal of Chapter 171, Tax Code, does not affect:

(1) the status of a taxable entity that has had its corporate privileges, certificate of authority, certificate of organization, certificate of limited partnership, corporate charter, or registration revoked, suit filed against it, or a receiver appointed under Subchapter F, G, or H of that chapter;

(2) the ability of the comptroller of public accounts, secretary of state, or attorney general to take action against a taxable entity under Subchapter F, G, or H of that chapter for actions that took place before the repeal; or

1 (3) the right of a taxable entity to contest a
2 forfeiture, revocation, lawsuit, or appointment of a receiver under
3 Subchapter F, G, or H of that chapter.

4 SECTION 2. (a) Not later than December 1, 2021, the
5 comptroller of public accounts, in consultation with the
6 Legislative Budget Board, shall determine the total amount of
7 revenue anticipated to have been received by this state during the
8 state fiscal biennium ending August 31, 2023, attributable to the
9 tax imposed under Chapter 171, Tax Code, if that chapter were not
10 repealed.

11 (b) On January 1, 2022, the amount determined under
12 Subsection (a) of this section is appropriated from the economic
13 stabilization fund to the comptroller of public accounts for the
14 purpose of depositing that amount to the credit of the general
15 revenue fund as money available for use during the state fiscal
16 biennium ending August 31, 2023, to make expenditures previously
17 authorized by appropriations from general revenue for that state
18 fiscal biennium.

19 SECTION 3. This Act takes effect January 1, 2022, but only
20 if:

21 (1) this Act receives a vote of two-thirds of the
22 members present in each house of the legislature, as provided by
23 Section 49-g(m), Article III, Texas Constitution; and

24 (2) the total amount of appropriations made by the
25 General Appropriations Act for the state fiscal biennium ending
26 August 31, 2023, is at least three percent less than the total
27 amount of appropriations made by the General Appropriations Act for

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1 the state fiscal biennium ending August 31, 2021.