88S20218 BEF-D

By:  Geren H.B. No. 3

A BILL TO BE ENTITLED

AN ACT

relating to the amount of the total revenue exemption for the franchise tax and the exclusion of certain taxable entities from the requirement to file a franchise tax report.

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

SECTION 1.  Section 171.002(d), Tax Code, is amended to read as follows:

(d)  A taxable entity is not required to pay any tax and is not considered to owe any tax for a period if:

(1)  the amount of tax computed for the taxable entity is less than $1,000; or

(2)  the amount of the taxable entity's total revenue from its entire business is less than or equal to $2.47 [~~$1~~] million or the amount determined under Section 171.006 per 12-month period on which margin is based.

SECTION 2.  Section 171.204(b), Tax Code, is amended to read as follows:

(b)  The comptroller may not require a taxable entity that does not owe any tax because of the application of Section 171.002(d)(2) to file an [~~abbreviated~~] information report with the comptroller [~~stating the amount of the taxable entity's total revenue from its entire business.  The comptroller may not require a taxable entity described by this subsection to file an information report that requires the taxable entity to report or compute its margin~~].

SECTION 3.  Section 171.204(d), Tax Code, is repealed.

SECTION 4.  The changes in law made by this Act apply only to a report originally due on or after January 1, 2024.

SECTION 5.  This Act takes effect only if S.B. 2 or similar legislation of the 88th Legislature, 2nd Called Session, 2023, relating to providing property tax relief through the public school finance system, exemptions, limitations on appraisals and taxes, and property tax administration becomes law in a manner described by Section 2001.006(a)(2), Government Code. If legislation described by this section does not become law in a manner described by Section 2001.006(a)(2), Government Code, this Act has no effect.

SECTION 6.  Except as otherwise provided by this Act, this Act takes effect January 1, 2024.