

By: Bettencourt

S.B. No. 3

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the amount of the total revenue exemption for the
3 franchise tax and the exclusion of certain taxable entities from
4 the requirement to file a franchise tax report.

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

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

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

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

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

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

18 (b) The comptroller may not require a taxable entity that
19 does not owe any tax because of the application of Section
20 171.002(d)(2) to file an [abbreviated] information report with the
21 comptroller [~~stating the amount of the taxable entity's total~~
22 ~~revenue from its entire business. The comptroller may not require~~
23 ~~a taxable entity described by this subsection to file an~~
24 ~~information report that requires the taxable entity to report or~~

1 ~~compute its margin]~~.

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 Section 171.204(d), Tax Code, is repealed.

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

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

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