

By: Goldman

H.B. No. 391

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of the franchise tax.

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

SECTION 1. Chapter 171, Tax Code, is repealed.

SECTION 2. A taxable entity that is subject to the franchise tax imposed under Chapter 171, Tax Code, on December 31, 2023, 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.

SECTION 3. 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.

SECTION 4. 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 5. This Act takes effect January 1, 2024.