

AN ACT

relating to the computation of the franchise tax.

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

SECTION 1. (a) 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 \$1 million [~~\$300,000~~] or the amount determined under Section 171.006 per 12-month period on which margin is based.

(b) This section takes effect only if H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, amends Section 155.0211, Tax Code, in a manner that results in an increase in the revenue from the tax under that section during the state fiscal biennium beginning September 1, 2009, that is attributable to that change, and that Act is enacted and becomes law. If H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, does not amend Section 155.0211, Tax Code, in that manner or is not enacted or does not become law, this section has no effect.

(c) If this section takes effect, this section expires December 31, 2011.

1 (d) This section applies only to a report originally due on  
2 or after the effective date of this section.

3 SECTION 2. (a) Section 171.002(d), Tax Code, is amended to  
4 read as follows:

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

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

9 (2) the amount of the taxable entity's total revenue  
10 from its entire business is less than or equal to \$600,000  
11 [~~\$300,000~~] or the amount determined under Section 171.006 per  
12 12-month period on which margin is based.

13 (b) This section takes effect January 1, 2012, if H.B. No.  
14 2154, Acts of the 81st Legislature, Regular Session, 2009, amends  
15 Section 155.0211, Tax Code, in a manner that results in an increase  
16 in the revenue from the tax under that section during the state  
17 fiscal biennium beginning September 1, 2009, that is attributable  
18 to that change, and that Act is enacted and becomes law. If H.B. No.  
19 2154, Acts of the 81st Legislature, Regular Session, 2009, does not  
20 amend Section 155.0211, Tax Code, in that manner or is not enacted  
21 or does not become law, this section takes effect January 1, 2010.

22 (c) This section applies only to a report originally due on  
23 or after the effective date of this section.

24 SECTION 3. (a) Section 171.0021(a), Tax Code, is amended to  
25 read as follows:

26 (a) A taxable entity is entitled to a discount of the tax  
27 imposed under this chapter that the taxable entity is required to

1 pay after determining its taxable margin under Section 171.101,  
2 applying the appropriate rate of the tax under Section 171.002(a)  
3 or (b), and subtracting any other allowable credits, as follows:

4 (1) [~~for a taxable entity for which the total revenue~~  
5 ~~from its entire business is greater than \$300,000 but less than~~  
6 ~~\$400,000, the taxable entity is entitled to a discount of 80~~  
7 ~~percent,~~

8 [~~(2) for a taxable entity for which the total revenue~~  
9 ~~from its entire business is equal to or greater than \$400,000 but~~  
10 ~~less than \$500,000, the taxable entity is entitled to a discount of~~  
11 ~~60 percent,~~

12 [~~(3)~~] for a taxable entity for which the total revenue  
13 from its entire business is [~~equal to or~~] greater than \$600,000  
14 [~~\$500,000~~] but less than \$700,000, the taxable entity is entitled  
15 to a discount of 40 percent; and

16 (2) [~~(4)~~] for a taxable entity for which the total  
17 revenue from its entire business is equal to or greater than  
18 \$700,000 but less than \$900,000, the taxable entity is entitled to a  
19 discount of 20 percent.

20 (b) This section takes effect January 1, 2012, if H.B. No.  
21 2154, Acts of the 81st Legislature, Regular Session, 2009, amends  
22 Section 155.0211, Tax Code, in a manner that results in an increase  
23 in the revenue from the tax under that section during the state  
24 fiscal biennium beginning September 1, 2009, that is attributable  
25 to that change, and that Act is enacted and becomes law. If H.B. No.  
26 2154, Acts of the 81st Legislature, Regular Session, 2009, does not  
27 amend Section 155.0211, Tax Code, in that manner or is not enacted

1 or does not become law, this section takes effect January 1, 2010.

2 (c) This section applies only to a report originally due on  
3 or after the effective date of this section.

4 SECTION 4. Except as otherwise provided by this Act, this  
5 Act takes effect January 1, 2010.

David Newhurst

President of the Senate

Jon Stroman

Speaker of the House

I certify that H.B. No. 4765 was passed by the House on May 5, 2009, by the following vote: Yeas 143, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4765 on May 29, 2009, by the following vote: Yeas 144, Nays 1, 1 present, not voting.

Robert Haney  
Chief Clerk of the House

I certify that H.B. No. 4765 was passed by the Senate, with amendments, on May 27, 2009, by the following vote: Yeas 30, Nays 1.

Patricia Spaw  
Secretary of the Senate

APPROVED: 16 JUN '09

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
4:30 PM O'CLOCK

JUN 16 2009  
Debra R. Roberts  
Secretary of State