

By: Bonnen of Brazoria

H.B. No. 32

A BILL TO BE ENTITLED

AN ACT

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relating to decreasing the rates of the franchise tax.

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

SECTION 1. Sections 171.002(a) and (b), Tax Code, are amended to read as follows:

(a) Subject to Sections 171.003 and 171.1016 and except as provided by Subsection (b), the rate of the franchise tax is 0.95 [~~one~~] percent of taxable margin.

(b) Subject to Sections 171.003 and 171.1016, the rate of the franchise tax is 0.475 [~~0.5~~] percent of taxable margin for those taxable entities primarily engaged in retail or wholesale trade.

SECTION 2. This Act applies only to a report originally due on or after the effective date of this Act.

SECTION 3. This Act takes effect January 1, 2016.