

1-1 By: Nelson, et al. S.B. No. 7
 1-2 (In the Senate - Filed February 24, 2015;
 1-3 February 24, 2015, read first time and referred to Committee on
 1-4 Finance; March 23, 2015, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 13, Nays 2;
 1-6 March 23, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21		X		
1-22	X			
1-23		X		

1-24 COMMITTEE SUBSTITUTE FOR S.B. No. 7 By: Nelson

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the computation of and to decreasing the rates of the
 1-28 franchise tax.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Sections 171.002(a) and (b), Tax Code, are
 1-31 amended to read as follows:

1-32 (a) Subject to Sections 171.003 and 171.1016 and except as
 1-33 provided by Subsection (b), the rate of the franchise tax is 0.85
 1-34 ~~[one]~~ percent of taxable margin.

1-35 (b) Subject to Sections 171.003 and 171.1016, the rate of
 1-36 the franchise tax is 0.425 ~~[0.5]~~ percent of taxable margin for those
 1-37 taxable entities primarily engaged in retail or wholesale trade.

1-38 SECTION 2. Sections 171.1016(a) and (b), Tax Code, are
 1-39 amended to read as follows:

1-40 (a) Notwithstanding any other provision of this chapter, a
 1-41 taxable entity whose total revenue from its entire business is not
 1-42 more than \$20 ~~[\$10]~~ million may elect to pay the tax imposed under
 1-43 this chapter in the amount computed and at the rate provided by this
 1-44 section rather than in the amount computed and at the tax rate
 1-45 provided by Section 171.002.

1-46 (b) The amount of the tax for which a taxable entity that
 1-47 elects to pay the tax as provided by this section is liable is
 1-48 computed by:

1-49 (1) determining the taxable entity's total revenue
 1-50 from its entire business, as determined under Section 171.1011;

1-51 (2) apportioning the amount computed under
 1-52 Subdivision (1) to this state, as provided by Section 171.106, to
 1-53 determine the taxable entity's apportioned total revenue; and

1-54 (3) multiplying the amount computed under Subdivision
 1-55 (2) by the rate of 0.331 ~~[0.575]~~ percent.

1-56 SECTION 3. This Act applies only to a report originally due
 1-57 on or after the effective date of this Act.

1-58 SECTION 4. This Act takes effect January 1, 2016.

1-59 * * * * *