

TFT Revenues

Origins, Exclusions, Consequences

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Importance of Revenues

- Starting Point for Taxable Margin
- No Tax Due Eligibility
- Baseline for Apportionment
- Other Determinations

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No Tax Due Limitation

- \$1,080,000 1/1/2014 – 12/31/2015
- Indexed for inflation
- Annualized for partial year reports

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EZ Computation Eligibility

- 2015 Texas Franchise Tax Reduction Act
- Increased threshold to \$20 million
- Reduced rate of 0.331%
 - *Prior rate was 0.575%*
 - *Compare with 0.375% for retail/wholesale*

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Passive Entity Eligibility

- Annual analysis
- Revenue Requirements
 - 90% Passive
 - < 10% Active

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> 90% Passive Revenue

- Investments/Gains
- Capital Gains – Real Estate
- Pass-Throughs
- Financial Instruments
- Oil & Gas (non-operating, unaffiliated)

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Title search: TFT Revenues: Origins, Exclusions, Consequences

Also available as part of the eCourse

[Texas Franchise Tax: Total Tax Revenue, Apportionment, and Business Aspects of Combined Reporting](#)

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"Total Revenue: Origins, Exclusions and Consequences"