



2017 Texas Franchise (aka “Margin”) Tax Update

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Steven D. Moore
Jackson Walker LLP
100 Congress Avenue, Suite 1100
Austin, Texas 78701
512-236-2074
smoore@jw.com

Overview & Objectives

1. Texas Franchise Tax Legislative and Judicial Update
2. Common M&A considerations – successor liability, gains/losses, other traps, etc.
3. Case Studies

Texas Franchise Tax Legislation

SB 17 (2017 Reg. Session)

If a biennium revenue certification by the Texas Comptroller exceeds the certification for prior biennium by > 5%, then ½ of such excess must be used to reduce the franchise tax rate proportionately, but not below 0%.

[See also HB 28]

Did not pass and not included in Special Session directive.

HB 4002 (2017 Reg. Session)

Texas Comptroller Technical Corrections Bill that clarifies or removes “installation” from the cost of production included in the “cost of goods sold” deduction.

Passed.

Texas Franchise Tax Judicial Update

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