



## 2017 Texas Franchise (aka “Margin”) Tax Update

### UT Law CLE 26<sup>th</sup> Annual LLCs, LPs and Partnerships

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## 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

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## 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.

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## **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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