

By: Parker

H.B. No. 1108

A BILL TO BE ENTITLED

AN ACT

relating to apportionment of margin from receipts from the sale of locomotives for purposes of the franchise tax.

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

SECTION 1. Section 171.106, Tax Code, is amended by adding Subsection (i) to read as follows:

(i) The portion of a taxable entity's receipts from the sale of locomotives sold for use in interstate commerce that are receipts from business done in this state is determined by multiplying the taxable entity's total receipts from the sale of locomotives sold for use in interstate commerce by a fraction, the numerator of which is the number of miles of railway track in this state and the denominator of which is the number of miles of railway track in the United States. In this subsection, "locomotive" means self-propelled railroad equipment consisting of one or more units designed to operate on stationary steel rails or electromagnetic guideways.

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, 2018.