

By: Bonnen of Brazoria

H.B. No. 4002

A BILL TO BE ENTITLED

AN ACT

relating to the definition of "production" in the cost of goods sold deduction for the franchise tax.

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

SECTION 1. Section 171.1012(a)(2), Tax Code, is amended to read as follows:

(2) "Production" means ~~[includes]~~ construction, ~~[installation,]~~ manufacture, development, mining, extraction, improvement, creation, raising, or growth.

SECTION 2. This Act is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the law as amended by this Act.

SECTION 3. This Act takes effect September 1, 2017.