

- SUBJECT:** Changing certain information reporting requirements for taxable entities
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 10 ayes — D. Bonnen, Y. Davis, Bohac, Button, Darby, Martinez Fischer, Murphy, Springer, C. Turner, Wray
- 0 nays
- 1 absent — Parker
- WITNESSES:** For — (*Registered, but did not testify:* Bob Owen, Texas Society of Certified Public Accountants)
- Against — None
- On — Briana Godbey, Texas Secretary of State
- BACKGROUND:** Business Organizations Code, sec. 153.301 allows the secretary of state to require a domestic or foreign limited partnership registered in the state to file a report up to once every four years. The report must contain certain general information, such as the name and address of each general partner. The filing fee attached to the report is \$50.
- Sec. 302.012 requires professional associations to file a report with the secretary of state every year. It must contain certain general information, such as the name and address of each member of the association and a list of officers. The annual filing fee attached to the report is \$35.
- All information in both reports also is required by the public information report in Tax Code, sec. 171 that is submitted to the comptroller by some entities in conjunction with their franchise tax returns. While professional associations and limited partnerships are required to submit a franchise tax return, neither is required to submit this report.
- DIGEST:** HB 2891 would require limited partnerships and professional associations

to submit public information reports to the comptroller along with their annual franchise tax returns. It would remove the requirement for these entities to file reports with the secretary of state.

This bill would take effect September 1, 2015, and would apply only to reports filed on or after that date.

**NOTES:**

The Legislative Budget Board's fiscal note estimates that the bill would have a negative impact of \$4.8 million in general revenue related funds through fiscal 2016-17 due to the loss of filing fee revenue associated with the reports that no longer would be filed with the secretary of state.