

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 4265  
By: Howard, Charlie, Paxton (Averitt)  
Finance  
5/22/2009  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

This bill amends Chapter 171 (Franchise Tax), Tax Code. Current law defines "controlling interests" or partnerships, associations, trusts, and other entities in one paragraph. This leads to confusing definitions because terminology is different for each of these different legal organizations.

C.S.H.B. 4265 amends current law relating to the definition of controlling interest for purposes of the franchise tax.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 171.0001(8), Tax Code, to redefine "controlling interest" for purposes of the franchise tax.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2010.