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Comptroller's Office Releases Preliminary Franchise Tax Information

(AUSTIN) — Through June 24, 2008, the revised franchise tax has produced about \$4.2 billion in revenue. So far, about 133,000 payments have been received.

It is still too early to tell what the final franchise tax revenue number will be for this fiscal year, as the first year of a revised tax can be somewhat unpredictable without a previous roadmap. We expect more revenue to be collected in August and November as extension filers settle up their reports.

About 46,000 extension payments have been filed so far this year. Extension filers have until Aug. 15 or Nov. 15 to settle up their reports. If an entity paid more than \$10,000 in franchise tax last year, its payment extension is Aug. 15. Other extension filers, which would include those subject to the tax for the first time this year, have until Nov. 15.

The full scope of returns for this first year of the new tax will not be known until after the final Nov. 15 deadline. The Comptroller's office will then get a thorough look at the revenue figure, as well as other information such as the number of entities that filed reports, whether they had to pay any tax or not and the types of businesses that remitted the tax.

Revised franchise tax information will also be given to the Business Tax Advisory Committee (BTAC), which will study the relative share of tax paid by industries and businesses of various sizes; how the tax structure and amounts paid compare to business taxes in other states; and the effect of the tax on the economic climate of the state. The next BTAC meeting will take place in mid-July.

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