



This Week in State Tax (TWIST)

July 31, 2023



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Texas: No Tax Due Reports Eliminated

Recently enacted Texas Senate Bill 3 increases the franchise (margin) tax exemption from \$1.0 million to \$2.47 million effective for reports originally due on and after January 1, 2024. This amount is adjusted periodically for inflation. Furthermore, also effective for reports originally due on or after January 1, 2024, the bill repeals the requirement that certain businesses that fall under this exemption file an No Tax Due Report information with the Comptroller. Certain entities, including passive entities, and REITs, will continue to have a requirement to file the No Tax Due Report. Further, there are no changes around the requirements to file a Public Information Report under Texas Tax Code §171.203, or the Ownership Information Report under Texas Tax Code §171.202. As a reminder, for the 2023 report year, an entity that has total annualized revenue less than or equal to the current inflation adjusted no tax due threshold of \$1,230,000 must file a No Tax Due Report. Please contact [Jeff Benson](#) with questions.

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