

# Capitol Update

SENATOR BRANDON CREIGHTON



84th Legislative Session

This week, the Senate passed their signature tax relief package. Language from our bill, Senate Bill 186, was included, asking the Comptroller to suggest ways to eliminate/repeal the current Franchise Tax.

We are very pleased at this point in the session to have \$4.6 billion in total tax relief and an effective repeal of the franchise tax for 52% of all Texas businesses that were paying it. I think we're on a really good path to provide a strong base of support to the Texas economic engine.

A handwritten signature in black ink that reads "Brandon Creighton".

## Under the Dome

**Tax Cuts (SB 1 & SJR 1):** Proposes to more than double the homestead exemption, saving the average homeowner \$442 over the next two years. It will bring the first change and increase to the homestead exemption in nearly 20 years, and allow the exemption to automatically increase as home values rise. Collectively, Texas homeowners will save \$2.154 billion over the next two years. SJR 1 will provide voters with the opportunity to place in the Texas Constitution a permanent ban on taxing real estate transactions, ensuring homeownership always remains attainable for Texans.

**Franchise Tax Rate Reduction (SB 7):** Permanently reduces the franchise tax rate by 15%, saving businesses \$1.43 billion over the next two years. SB 7, also reduces burdensome compliance costs for Texas' small businesses by expanding eligibility for "EZ" franchise tax reporting. By doubling the amount of revenue allowed on "EZ" reports (from \$10 million to \$20 million) and reducing the "EZ" rate by 42%, Texas small businesses will save \$283 million over the next two years.

SB 7 includes the *Texas Franchise Repeal Act*, putting Texas on a path to abolish the state franchise tax which was implemented in 2006. It instructs the Comptroller of Public Accounts to complete a 2-year study and report to the legislature how best to abolish the franchise tax and replace those revenues from existing sources.

**Franchise Tax \$4M Exemption (SB 8):** Supports Texas' small businesses by exempting from the franchise tax all businesses with less than \$4 million in revenue, completely eliminating franchise tax liability for more than half of all businesses currently paying the franchise tax. By quadrupling the current small business exemption (from \$1 million to \$4 million), SB 8 will exempt more than 61,000 small businesses from paying the franchise tax and save Texas' small businesses \$760 million over the next two years.

## Legislation Station



**State Sovereignty (SCR 1):** On Tuesday, my signature state sovereignty resolution, Senate Concurrent Resolution 1, passed out of the Senate Committee on State Affairs by a vote of 7-0. SCR 1 represents the growing sentiment that the federal government has continued to blatantly overreach its constitutional authority through multiple laws and mandates. No Child Left Behind, Obamacare, the EPA's Clean Power Plan, and the federal blocking of the Keystone XL's completion are all attempts to erode states' Tenth Amendment rights. Our states need to be allowed to govern themselves and have full authority to decide how our dollars are spent.

Reaffirming our state's sovereign authority is impactful for the rest of the country. Our nation is a union of individual and sovereign states. We cannot stand idly by as the federal government continues to overstep its constitutional bounds. Texans know what's best for Texas.

Since 2009, nine states have passed similar resolutions: Louisiana, Oklahoma, Idaho, South Dakota, North Dakota, Nebraska, Kansas, and South Carolina. Over 40 states have been active on this issue.

### **49th Annual Texas Legislative Conference**

I had the opportunity to participate in the Texas Legislative Conference's "Federal Intervention & Texas Infrastructure" panel moderated by Texas Tribune's CEO Evan Smith. Other panelists included State Representative Donna Howard (D-Austin), Chairman of the Texas Commission of Environmental Quality, and Mike Nasi of Jackson Walker LLP.

We had a great discussion about the relationship between the federal and state government in comparison to the state's relationship with local government. Thank you to Representative Doug Miller for inviting me to participate.



### **Montgomery County Day at the Texas Capitol**

It was a pleasure to have my constituents and friends at the State Capitol in celebration of Montgomery County Day on Tuesday. Thank you for the opportunity to serve as your state senator!



### **In the News**

- Conservatives Cheer Texas Senate's Passage of Franchise Tax Reform, *Breitbart - Texas*
- Willis ISD third-grader serves as Honorary Page in 84th Legislature, *The Courier of Montgomery County*
- Texas State House to Consider 'Right to Hunt and Fish' Amendment, *Ammoland Shooting Sports News*

### **Get Social**

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