



SENATOR CHARLES SCHWERTNER, MD
SENATE DISTRICT 5

FOR IMMEDIATE RELEASE
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Schwertner Files SB 8, Landmark Tax Relief for Small Business

Schwertner's Senate Bill 8 (Small Business Tax Relief Act) will secure a \$4 million permanent exemption from the state's onerous business franchise tax

AUSTIN, TX -- Today, Senator Charles Schwertner, MD (R-Georgetown) filed SB 8, also known as the Small Business Tax Relief Act. If passed, SB 8 will establish a permanent \$4 million total revenue exemption from the state's business franchise tax and provide critical tax relief for tens of thousands of Texas businesses.

"Today, I'm proud to file a landmark tax cut for the hard-working small business owners that create jobs and drive our Texas economy," said Schwertner. "For many small and medium-sized businesses struggling to make it, the state franchise tax represents an unreasonable and unnecessary tax burden that only serves to limit job growth and stifle new investment."

The Texas Comptroller's Office estimates that the Small Business Tax Relief Act (SB 8) would provide over \$380 million in annual tax relief, while exempting over 61,000 small businesses that would otherwise pay the state's business franchise tax. These small businesses represent over 52% of all entities required to remit payment under the current franchise tax structure.

Senate Bill 8 won't generate a multi-billion dollar budget shortfall and can be achieved with only a modest impact to state revenue. The Comptroller's Office estimates that raising the exemption to \$4 million would result in a 7.92% decrease in overall revenue collected by the franchise tax.

"This fiscally responsible approach provides meaningful tax relief to the small businesses who need it most, while still maintaining a balanced budget," said Schwertner. "It just makes sense."

Small business advocates have consistently argued that the franchise tax disproportionately affects small to medium-sized Texas businesses -- particularly in those industries marked by high gross receipts but marginal overall profits.

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Senate Bill 8 has received broad, bipartisan support in the Texas Senate, with 22 Senators agreeing to joint author the legislation with Senator Schwertner:

- Senator Paul Bettencourt (R-Houston)
- Senator Brian Birdwell (R-Granbury)
- Senator Konni Burton (R-Colleyville)
- Senator Donna Campbell (R-New Braunfels)
- Senator Brandon Creighton (R-Conroe)
- Senator Kevin Eltife (R-Tyler)
- Senator Craig Estes (R-Wichita Falls)
- Senator Troy Fraser (R-Horseshoe Bay)
- Senator Bob Hall (R-Canton)
- Senator Kelly Hancock (R-North Richland Hills)
- Senator Juan "Chuy" Hinojosa (D-McAllen)
- Senator Don Huffines (R-Dallas)
- Senator Joan Huffman (R-Houston)
- Senator Lois Kolkhorst (R-Brenham)
- Senator Eddie Lucio, Jr. (D-Brownsville)
- Senator Jane Nelson (R-Flower Mound)
- Senator Robert Nichols (R-Jacksonville)
- Senator Charles Perry (R-Lubbock)
- Senator Kel Seliger (R-Amarillo)
- Senator Larry Taylor (R-Friendswood)
- Senator Van Taylor (R-Plano)
- Senator Carlos Uresti (D-San Antonio)

In November 2014, Dr. Charles Schwertner was overwhelmingly reelected to serve the citizens of Senate District 5, a ten-county region of central and east Texas. Following the 83rd Legislative Session, Senator Schwertner was named a "Courageous Conservative" by the Texas Conservative Coalition, a "Lone Star Conservative Leader" by the Texas Conservative Roundtable, and "Senate Freshman of the Year" by Texas Monthly magazine.

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