



Gov. signs bill to cut taxes for small business owners

FROM A NEWS RELEASE SENT TO THE KDBC 4 NEWSROOM:

AUSTIN - Gov. Rick Perry today signed House Bill (HB) 4765 which lowers the tax burden for more than 40,000 small businesses across the state. The bill more than triples the small business franchise tax exemption from \$300,000 to \$1 million. Revisiting the business franchise tax was a priority the governor laid out before the 81st Legislature in his State of the State address.

"As a result of this legislation, roughly 40,000 small businesses across Texas will be able to hang onto more of their dollars and plow them back into their businesses in the form of new hires and new equipment," said Gov. Perry. "There aren't many states that could extend a tax cut to small businesses in these tough economic times - I am proud that Texas has."

"Thousands of businesses now know that because they won't have to pay franchise taxes for the next few years, they can instead spend that money bolstering their business operations which are essential components to maintaining our strong state economy," said Rep. René Oliveira, author of the legislation.

HB 4765 modifies the franchise tax legislation passed by lawmakers in 2006, which was determined to have a disproportionate impact on small businesses making between the original \$300,000 revenue cap and \$1 million per year.

"This legislation represents a significant tax reduction on small businesses and I'm glad these companies now have greater opportunity to hire workers instead of pay the government," said Sen. Dan Patrick, the Senate sponsor of the bill. "I am honored Gov. Perry would travel to Houston to sign this bill. His leadership from day one in his State of the State address to today has been instrumental in this bill's passage, and I am excited that we can come together to cut taxes in this uncertain economic environment."

By providing approximately 40,000 small businesses with a tax cut, Texas continues to be an attractive place to start or relocate a business, live and raise a family. Texas' low taxes, reasonable and predictable regulatory climate, fair tort system and a balanced budget with more than \$9 billion in the state's Rainy Day Fund all contribute the state's economic prosperity and competitive edge. Texas is home to more Fortune 500 companies than any other state and ranked as the number one exporting state in the nation for the seventh year in a row. The Lone Star State has been lauded as the top state for business by numerous publications and business executives and most recently was ranked The Best State for Business by Directorship Magazine, June/July 2009.

The governor was joined by Rep. René Oliveira and Sen. Dan Patrick at the signing ceremony. Talmadge Heflin, director of the Texas Public Policy Foundation's Center for Fiscal Policy, and Will Newton, executive director of the National Federation of Independent Business, also spoke at the event.

HB 4765 takes effect on Jan. 1, 2010. For more information about the 81st Legislative Session, please visit www.governor.state.tx.us or <http://www.legis.state.tx.us/Home.aspx>.



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