

Protect Texas Business Professionals:

SUPPORT SB 765 BY SEN. KEVIN ELTIFE AND CSHB 7 BY REP. DREW DARBY

Eliminate the Occupation Tax



Background: In 1991, the 72nd Texas Legislature imposed an annual \$200 occupation tax on certain professionals. The new fee was supposed to be temporary, but 23 years later, professionals still pay the \$200 annual tax. The occupation tax was imposed because most professional businesses were not subject to the old franchise tax. However, in 2006 when the franchise tax methodology was drastically changed, these professional businesses became subject to the franchise tax.

The 2006 franchise tax includes all the professional groups currently paying the \$200 annual occupation tax. That's why the occupation tax is no longer appropriate. It does not benefit the licensure or regulatory board of the associated professional groups.

What would eliminating this tax mean for the service industry?

Most licensed professionals are small businesses. By eliminating the \$200 annual tax, you will allow these businesses to invest their dollars back into the local economy instead of padding the government coffers.

Texas does not need an occupation tax. The Texas Legislature should reinvest these dollars into our state economy in ways that benefit the entire economy.

It's time to eliminate this hidden occupation tax that selectively targets our professional service industries.

Our organizations represent more than 400,000 licensed, hard-working Texas professionals. Your constituents SUPPORT SB 765 and CSHB 7.

