

Franchise Tax Calculation

[RESET CALCULATION](#)

The worksheet below calculates taxable margin on a separate entity basis. The worksheet will calculate an amount of tax due based upon the amounts that are entered.

HOWEVER, if your annualized total revenue is less than or equal to \$1,130,000, or your tax due is less than \$1,000, you will owe no tax. All taxable entities must file a report, even if no tax is due.

If your annualized total revenue is \$20 million or less, you are eligible to use the E-Z computation for calculating your tax. See the line 11 instructions for additional information.

SPECIAL NOTE TO TAXABLE ENTITIES THAT ARE PART OF AN AFFILIATED GROUP: Taxable entities that are part of an affiliated group engaged in a unitary business must file a combined report in lieu of individual reports. All members of a combined group must use the same method to compute margin (i.e. cost of goods sold, compensation or 70%). See instructions for additional information.

Annualized Revenue

Report year
2019

Accounting year begin date month day year

Accounting year end date month day year

Total revenue for the report period

Annualized amount

Step 1. Margin

i 1a. Total revenue _____

i 1b. Cost of goods sold _____

1c. Cost of goods sold margin - Line 1a minus Line 1b _____

i 2a. Total revenue _____

i 2b. Wages and cash compensation _____

i 2c. Employee benefits _____

2d. Compensation margin - Line 2a minus (Lines 2b and 2c) _____

i 3a. Total revenue _____

3b. % margin - Equals 70% of Line 3a _____

i 4a. Total revenue _____

4b. Total revenue less \$1,000,000 - Line 4a minus \$1,000,000 _____

5. **Margin** - Enter the least of Lines 1c, 2d, 3b or 4b _____

Step 2. Apportionment

i 6. Texas gross receipts _____

i 7. Everywhere gross receipts _____

8. **Apportionment factor** - Line 6 divided by Line 7 _____

Step 3. Taxable Margin

9. **Taxable margin** - Line 5 multiplied by Line 8 _____

Step 4. Tax Due

i 10. Tax due before discount or credits
- Multiply Line 9 by .00375 for wholesalers and retailers or .00750 for other taxable entities _____

i 11. Credits _____

i 12. E-Z computation (if eligible) - Line 3a times Line 8 times 0.00331 _____

i 13. Discount *For the 2019 report year, discounts do not apply.* _____

14. **Net tax due** - Line 10 minus (Lines 11 and 13) OR Line 12 minus Line 13.
(If less than \$1,000, you owe no tax. Cannot be less than zero.) _____