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Texas Franchise Tax Due May 15

Businesses that have total revenues of less than \$1,110,000 will not owe any tax but must still file an electronic "No tax due" report.

Remember, physician practices may exclude revenues from Medicare, Medicaid, and workers' compensation plans and the cost basis of any charity care they provide from their total revenue before they calculate their tax. TMA obtained those exclusions for physicians when the Texas Legislature rewrote the franchise tax law in 2006.

The Texas Comptroller of Public Accounts reports that it mailed notices of the annual franchise tax report to businesses in January and February. The notice includes the WebFile number assigned to each business. You will need this number to file your report electronically.

If you need more time to file, submit a franchise tax extension request on or before May 15. "Generally, for an extension to be valid, 100 percent of the tax paid on the prior year's report, or 90 percent of the tax that will be due with the current year's report, must be paid on or before May 15," according to the Comptroller's Office.

You will owe a \$50 late filing penalty on reports filed after May 15 if you do not file an extension request, the Comptroller's Office adds.

Ref: TMA Action, April 17, 2017 <https://www.texmed.org/Template.aspx?id=44594>

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