

## SCS SB 19 -- CORPORATE FRANCHISE TAX

Beginning in the 2012 tax year, this bill gradually reduces the annual corporate franchise tax rate from one-thirtieth of 1% until no tax is imposed for tax years beginning on or after January 1, 2016. The annual tax liability of a corporation for corporate franchise tax for tax years 2011 through 2015 is limited to the amount of the corporation's tax liability for the tax year ending on or before December 31, 2010. If a corporation did not have a corporate franchise tax liability in the 2010 tax year because the corporation was not doing business within the state or did not exist, the corporation's annual franchise tax liability cannot exceed the amount of the corporation's franchise tax liability for its first full taxable year of existence or doing business in the state.