

# Franchise Tax Calculation

## Annualized Revenue

Report year \_\_\_\_\_

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

- 1a. Total revenue ..... \_\_\_\_\_
- 1b. Cost of goods sold ..... \_\_\_\_\_
- 1c. Cost of goods sold margin - Line 1a minus Line 1b ..... \_\_\_\_\_
- 2a. Total revenue ..... \_\_\_\_\_
- 2b. Wages and cash compensation ..... \_\_\_\_\_
- 2c. Employee benefits ..... \_\_\_\_\_
- 2d. Compensation margin - Line 2a minus (Lines 2b and 2c) ..... \_\_\_\_\_
- 3a. Total revenue ..... \_\_\_\_\_
- 3b. % margin - Equals 70% of Line 3a ..... \_\_\_\_\_
- 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

- 6. Texas gross receipts ..... \_\_\_\_\_
- 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

- 10. Tax due before discount or credits  
 .....  \_\_\_\_\_
- 11. Credits ..... \_\_\_\_\_
- 12. E-Z computation (if eligible) ..... \_\_\_\_\_
- 13. Discount ..... \_\_\_\_\_
- 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.)* ..... \_\_\_\_\_