

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.) _____