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**FOR IMMEDIATE RELEASE**

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### **Merritt Passes \$170 Million Tax Exemption for Small Businesses**

AUSTIN - Yesterday, Representative Tommy Merritt brought relief to small business owners via House Bill 4765, which raises the franchise tax revenue exemption for businesses from \$300,000 to \$1,000,000. HB 4765 passed the House by a vote of 143-0.

"I coauthored HB 4765 because I have received numerous emails, letters and phone calls from small business owners in District 7 asking for relief especially during these tough economic times," stated Rep. Merritt.

By raising the small business tax exemption from \$300,000 to \$1,000,000, approximately 230,000 additional businesses will qualify to exempt from paying the margins tax. Decreasing the tax burden on small businesses allows for continued growth and expansion of Texas businesses during this strenuous economic climate. This bill allows the expanded exemption thru 2011. Placing a two year sunset provision on the exemption will force the Legislature to re-evaluate the margins tax during the 82nd Legislature.

The margins tax was created in House Bill 3 in 2006. The effects of this tax hit hardest on the small business owners of Texas. House Bill 4765 extends relief to those businesses that continue to provide Texas with a healthy economic environment.

"The margins tax has placed a tremendous hardship on Texas' small businesses. This exemption will provide true tax relief," commented Rep. Merritt.

Rep. Merritt is Chairman of the House Committee on Public Safety and serves on the House Committees on Transportation, Local & Consent Calendars and Redistricting. He represents Gregg County and northern Smith County to include Winona, Lindale and Hideaway Lake.