

TEXAS COMPTROLLER of PUBLIC ACCOUNTS

WWW.WINDOW.STATE.TX.US



Entity Name  
123 Main Street  
Dallas, TX 75000

Taxpayer number	
[REDACTED]	
File number	
[REDACTED]	
WebFile number	
XT [REDACTED]	
Report year	Due date
[REDACTED]	[REDACTED]

**Franchise Tax Annual Report Filing Notice**

This letter is your reminder that an annual Texas franchise tax report is due on the above date.

Texas tax law requires you to file the appropriate franchise tax report and information report each year, even if no tax is due or you have no activity to report. Beginning with reports originally due after Sept. 30, 2011, taxable entities will be assessed a \$50 penalty when a report is filed late. The penalty will be assessed regardless of whether the entity subsequently files the report or whether any taxes were due for the period covered by the report. The \$50 penalty is due in addition to any other penalties assessed for the reporting period. For help deciding which forms to file, visit [www.window.state.tx.us/taxinfo/franchise/whichforms.html](http://www.window.state.tx.us/taxinfo/franchise/whichforms.html).

Save time, money and paper by visiting [www.window.state.tx.us/webfile](http://www.window.state.tx.us/webfile). Use WebFile to electronically submit your franchise tax report forms, extend your time to file or pay taxes due. Taxpayers using WebFile for the first time will need the WebFile number listed on this letter to create a password for future access.

Franchise tax information is available online at [www.franchisetax.tx.gov](http://www.franchisetax.tx.gov). For additional assistance, email us at [tax.help@cpa.state.tx.us](mailto:tax.help@cpa.state.tx.us), or call 1-800-252-1381 or 512-463-4600. You can also sign up for email updates on the Comptroller topics of your choice at [www.window.state.tx.us/subscribe](http://www.window.state.tx.us/subscribe).

**Passive Entities**

Effective Jan. 1, 2011, passive entities that are registered or are required to be registered with either the Texas Secretary of State or the Comptroller's office must file a No Tax Due Information Report (Form 05-163) each year to affirm the entity qualifies as passive for the accounting period covered by the annual report.

**Combined Reporting**

Taxable entities that are part of an affiliated group engaged in a unitary business must file a combined group report (Section 171.1014, Texas Tax Code).

- The reporting entity is required to file the franchise tax report and information report on behalf of each member to avoid the affiliate's account status being negatively affected.
- A reporting entity requesting an extension of time to file the franchise tax report must file the Texas Franchise Tax Affiliate List (Form 05-165) with the Extension Request (Form 05-164).

**Additional Reporting Requirement for Combined Group with Temporary Credit**

The reporting entity of a combined group with a temporary credit for business loss carryforward preserved for itself and/or its affiliates must submit common owner information by the due date of the report. The information must be submitted to satisfy franchise tax filing requirements, even if the combined group is not claiming the credit on the current year's report. For 2012, submit the common owner information electronically at [www.window.texas.gov/commonowner/](http://www.window.texas.gov/commonowner/).