



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Comptroller.Texas.Gov

ARTISTRY SNAPS LLC
5900 BALCONES DR STE 100
AUSTIN TX 78731-4298

Table with taxpayer information: Taxpayer number (32091074685), File number (0805169980), Webfile number (XT673459), Report year (2024), Due date (05/15/2024)

Texas Franchise Taxpayers: Annual Reports Are Due

Franchise tax reporting requirements have changed for 2024, and you may have to file one or more reports by the date shown in the box in the upper right corner of this letter. Please carefully read the information below and visit www.Comptroller.Texas.Gov for more information.

What's New for 2024

For reports originally due on or after Jan. 1, 2024:

- The no tax due threshold has increased to \$2.47 million and taxable entities, including combined groups, whose annualized total revenue is less than or equal to that amount are no longer required to file a No Tax Due Report. However, these entities are still required to file a Public Information Report (PIR) or an Ownership Information Report (OIR).
Qualifying new veteran-owned businesses are no longer required to file a No Tax Due Report during their initial five-year period.

Need to File a Franchise Tax Report?

If you are required to file a franchise tax report, there are now only two reporting options: EZ Computation Report and Long Form Report. You will need to choose the best report for your situation.

If your entity is part of a combined group engaged in a unitary business, your entity must be included in a combined group report. A combined group report must include all taxable entities that are in the combined group even if any member, on a separate entity basis, has annualized total revenue at or below the no tax due threshold. A passive entity or a new veteran-owned business cannot be included in a combined group report.

If your entity is a qualifying passive entity or a qualifying Real Estate Investment Trust (REIT), you may file either form by blackening the appropriate circle that identifies the entity as such and completing only the taxpayer information part of the form. If your entity has zero Texas gross receipts, you may file either form, as appropriate, to calculate total revenue and enter zero for Texas gross receipts. A REIT and an entity with zero Texas gross receipts must file a PIR or an OIR. A passive entity is not required to file a PIR or an OIR.

Option 1: EZ Computation Report

You may file an EZ Computation Report if your business is an entity or a combined group with annualized total revenue of \$20 million or less. If you choose this option, your business cannot:

- Take any margin deductions (including cost of goods sold or compensation);
Take any franchise tax credits; or
Carry over that report year's temporary credit for business loss carryforward to a future period.

## Option 2: Long Form Report

You **must** file a Long Form Report if your business:

- Is not eligible to file the EZ Computation Report and has annualized total revenue exceeding the no tax due threshold; or
- Will take franchise tax credits.

### Save Time and File Online!

Webfile, the Comptroller's secure online system, makes it easy to file a franchise tax report, pay tax due or request an extension. If you are a first-time user, you will need the Webfile number in the box in the upper right corner on the first page of this letter to get started. (*Note: Your tax preparer may need your Webfile number to file your report electronically.*) Visit [www.comptroller.texas.gov/taxes/file-pay](http://www.comptroller.texas.gov/taxes/file-pay).

### Request an Extension

A \$50 penalty is due on a report filed after the due date, even if no tax is due. If you need more time to file, request an extension by the due date to avoid the penalty. A combined group must include the Texas Franchise Tax Affiliate List with its first extension request. Visit [www.comptroller.texas.gov/taxes/franchise/filing-extensions.php](http://www.comptroller.texas.gov/taxes/franchise/filing-extensions.php).

### We're Here to Help

Information on reporting/filing franchise tax is available:

- online in our franchise tax FAQs ([www.comptroller.texas.gov/taxes/franchise/faq/](http://www.comptroller.texas.gov/taxes/franchise/faq/)) and current year instructions ([www.comptroller.texas.gov/taxes/franchise/forms/](http://www.comptroller.texas.gov/taxes/franchise/forms/));
- in instructional videos on a variety of tax-related topics at [www.comptroller.texas.gov/taxes/file-pay/about-webfile.php](http://www.comptroller.texas.gov/taxes/file-pay/about-webfile.php);
- by calling 800-252-1381.

### Notice Concerning Tax Due on Independently Procured Insurance or Unauthorized Insurance Obtained from a Nonadmitted Captive Insurer

*This notice is provided for information purposes only. An insurance tax report form should not be filed unless you have paid independently procured or unauthorized insurance taxes in the past or owe tax as explained below. If you no longer have a responsibility to report either of these taxes, please contact our agency at the phone number provided below to deactivate your account.*

#### **Independently Procured Insurance:**

Independently procured insurance is insurance procured directly by an insured from a nonadmitted insurer. A broker or agent must NOT be involved in the placement.

The allocation of premium and requirements for payment of the tax for independently procured insurance are based on the **home state of the insured**. "Home state" means the state in which an insured maintains its principal place of business. If 100 percent of the insured risk is located outside the home state, the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated becomes the home state.

Refer to Publication 98-376, "Tax on Independently Procured Insurance," at [www.comptroller.texas.gov/taxes/publications/98-376.pdf](http://www.comptroller.texas.gov/taxes/publications/98-376.pdf) and Insurance Code, Chapter 226, Subchapter B for more information regarding the independently procured insurance premium tax.

#### **Unauthorized Insurance:**

A nonadmitted captive insurance company that only insures its parent or affiliates may do so legally in Texas but must pay tax on the premium.

A nonadmitted captive owes unauthorized insurance premium tax when the insurance policy covers a risk located in Texas.

Refer to Insurance Code, Chapter 101, Subchapter B and Chapter 226, Subchapter A for additional information regarding nonadmitted captives and the unauthorized insurance premium tax.

Insurance forms are available on our website, under Texas Insurance Forms in our Tax Forms online section at [www.comptroller.texas.gov/taxes/insurance/forms/index.php](http://www.comptroller.texas.gov/taxes/insurance/forms/index.php). If you have questions regarding Insurance Taxes, call 800-252-1387 or visit our website at [www.Comptroller.Texas.Gov](http://www.Comptroller.Texas.Gov).