



COMMISSIONER
Adelaide Horn

June 1, 2009

To: Adult Day Care Facilities, Assisted Living Facilities, Home and Community Support Services Agencies, Intermediate Care Facilities for Persons With Mental Retardation or Related Conditions, and Nursing Facilities

Subject: **Provider Letter 09-12** – New Franchise Tax Report Requirements

Current license application instructions require an applicant that is a corporation or a limited liability company to provide evidence of compliance with state franchise tax requirements via submission of a certificate of account status issued by the Comptroller of Public Accounts. The Department of Aging and Disability Services (DADS) has determined that other entities are now taxable entities, as defined in the Texas Tax Code, §171.0002, and should also submit a certificate of account status from the comptroller. In addition to corporations and limited liability companies, taxable entities include general partnerships, limited partnerships, limited liability partnerships, business trusts, business associations, professional associations and joint ventures. A license applicant that is a taxable entity must submit a certificate of account status showing that the entity is in good standing with its franchise tax reports and payments, or that the entity is exempt from state franchise tax. A certificate must be submitted to DADS with each license application.

Information pertaining to the new requirements can be found on the comptroller's website at http://www.window.state.tx.us/taxinfo/franchise/faq_questions.html. If you have additional questions about the state tax requirements, please contact the Comptroller of Public Accounts at 1-800-252-1381.

A corporation or limited liability company is required to submit a certificate of account status as it has done in the past. In addition, effective immediately, a license applicant that is another type of taxable entity and is applying for a license that has an effective date of September 1, 2009, or later (including initial, change of ownership and renewal licenses) must submit a current certificate of account status issued by the Comptroller of Public Accounts with its license application. DADS is in the process of modifying license instructions to reflect this new requirement.

If you have questions about this matter, please contact a facility licensing specialist, a facility certification specialist, or an agency licensing specialist with the Licensing and Credentialing section at 512-438-2630.

Sincerely,

[signature on file]

Veronda L. Durden
Assistant Commissioner
Regulatory Services

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