

IN THE SUPREME COURT OF TEXAS

Misc. Docket No. 98- 9107

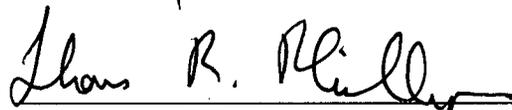
**APPROVAL OF ADDITION OF ARTICLE III, SECTION 8
OF THE STATE BAR RULES
(ADMINISTRATION OF ATTORNEY OCCUPATION TAX)**

ORDERED:

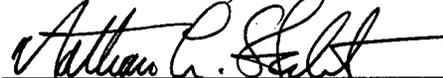
Pursuant to Section 191.443 of the Texas Tax Code the Supreme Court of Texas approves the following State Bar Rule:

Proposed Article III, Section 8, regarding policies and rules for the administration and collection of the Attorney Occupation Tax and for the exemptions from that tax.

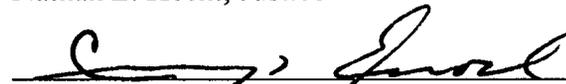
SIGNED AND ENTERED THIS 1st day of July, 1998.


Thomas R. Phillips, Chief Justice

Raul A. Gonzalez, Justice

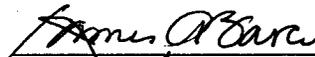


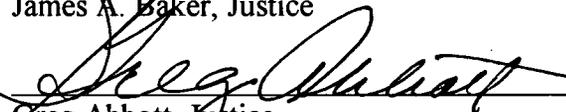
Nathan L. Hecht, Justice

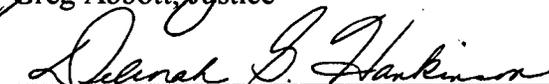

Craig T. Enoch, Justice


Rose Spector, Justice


Priscilla R. Owen, Justice


James A. Baker, Justice


Greg Abbott, Justice


Deborah G. Hankinson, Justice

IN THE SUPREME COURT OF TEXAS

Misc. Docket No. 98-_____

PETITION TO ADD ARTICLE III, SECTION 8 TO THE STATE BAR RULES

TO THE HONORABLE CHIEF JUSTICE AND JUSTICES OF SAID COURT:

The State Bar of Texas hereby respectfully petitions the Court to add Article III, Section 8 to the State Bar Rules. In support hereof, the Petitioner states as follows:

I.

Section 191.443 of the Texas Tax Code states that the State Bar, with the approval of the Supreme Court, shall have the authority to adopt policies and rules for the administration and collection of the Attorney Occupation Tax and for the exemptions from that tax. TEX. TAX CODE ANN. §25.01 (Vernon Supp. 1998). The Board of Directors of the State Bar of Texas, at its meeting on April 17, 1998, resolved by a majority vote to make the recommendation for the addition of Article III, Section 8 made herein.

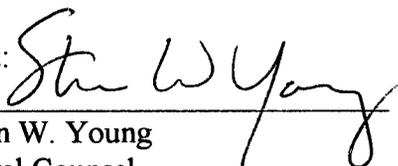
II.

The Petitioner recommends and requests that Article III, Section 8 be implemented and added to the State Bar Rules. The proposed text of Article III, Section 8 is set forth in Exhibit "A".

III.

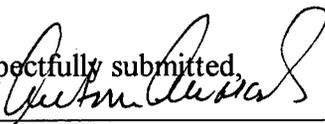
WHEREFORE, the State Bar of Texas Board of Directors requests that the Supreme Court of Texas approve, adopt, and promulgate this rule and add it to the State Bar Rules.

Attest:



Steven W. Young
General Counsel

Respectfully submitted,



Antonio Alvarado
Executive Director

State Bar Rules**Article III****Section 8.**

An occupation tax of \$200.00 per year is imposed on each attorney pursuant to [§ 191.142 of] the Texas Tax Code.

(a) Every member of the State Bar of Texas is subject to the tax except those members who are:

- (1) 70 years of age or older;
- (2) on inactive status under the State Bar Act;
- (3) out of state attorneys who are not practicing law in Texas;
- (4) judges;
- (5) federal or state government employees;
- (6) attorneys employed by city, county, and District attorneys' who do not have a private practice that accounts for more than 50% of their time;
- (7) employees of an Internal Revenue Code § 501(c)(3) or § 501(c)(6) non-profit corporation that is prohibited from private practice; or
- (8) associate members under the State Bar Act;

(b) Except as provided by Subsection (c), each attorney shall pay the tax for each tax year on or before June 1 of the tax year.

(c) If a person is licensed to practice law after the beginning of the tax year or resumes active status to practice law after the beginning of the tax year, the person being licensed or resuming active status shall pay the tax imposed by this section in proportion to the number of months for which the person will be licensed during that tax year. If a person is licensed after the beginning of a calendar month, the month in which the person is licensed shall count as a month for purposes of payment of taxes under this subsection.

(d) A penalty of 5 percent of the tax due shall be imposed on a person who fails to pay the tax imposed by this section when due, and, if the person fails to pay the tax within 30 days after the day on which the tax or report is due, an additional 5 percent shall be imposed.

(e) The yearly interest rate on delinquent tax imposed by this section is 12 percent. Delinquent taxes draw interest beginning 60 days from the due date.

(f) The State Bar shall suspend from the practice of law a member who does not pay, within 90 days after the date it is due, the tax imposed or a penalty relating to that tax.

(g) An attorney who is suspended under Subsection (f) shall be reinstated on payment of the tax and any interest and penalties.