

Senate Bill 1049

NEW
VETERAN-OWNED BUSINESS
VERIFICATION PROCESS

Entity Incorporation Fee & Franchise Tax Waiver



Senate Bill 1049

Hello there! By now, you may have heard about Senate Bill 1049, or are wondering what it is, and want to know how to get started. To recap, the State of Texas passed SB 1049 on January 2016 waiving the formation fees for new veteran-owned entities, and new veteran-owned businesses are not subject to franchise tax for an initial five year period. For more information, click this link: [Senate Bill \(SB\) 1049](#),

To get started, here are some initial questions to help you determine your eligibility:

- Will this entity be **100%** veteran-owned?
- Is/Are the veteran(s) business owner(s) honorably discharged from active duty from any branch of the United States Military?

If you've answered "yes" to both of the questions above, chances are you are a good candidate for SB 1049.

The next page will outline what you will need to do to start your verification process. *Hint:* You must begin with the Texas Veterans Commission and obtain your "Letter of Verification of Veterans Honorable Discharge".

Please note, this is **NOT** a Veteran-Owned Business Certification process typically associated with government contracting. The process merely serves to verify that the individual submitting their DD-214 to the Texas Veterans Commission in accordance with Section 171.0005(b) of the Texas Tax Code is an Honorably Discharged Veteran of the one of the branches of the United States Military. A DD214 is the only documentation acceptable for verification. The DD214 must contain the field "Character of Service".

Due to increasing demands, the Texas Veterans Commission aims to process the request within 7-10 business days.

If you have any questions, please email us at: **SB1049@tvc.texas.gov**

We are here to help!

~ TVC Veteran Entrepreneur Program

NEW VETERAN-OWNED BUSINESSES AND TEXAS FRANCHISE TAX: VERIFICATION CHECK-LIST

Texas Veterans Commission

To initiate the verification process, each veteran owner must provide the following documents to **TVC ONLY** via email or United States Postal Service (USPS):

- Statement Letter Requesting Verification of Discharge Status (template enclosed);
- DD-214, **Member 4 copy or Service 2 copy showing "Character of Service" as honorable.**
- Legal documentation if name is different from the DD-214. (Typically marriage/divorce orders)
- Send via Email to **SB1049@TVC.texas.gov** or mail to **TVC, Attn: VEP , P.O. Box 12277; Austin, TX 78711**

Due to increasing demands, please expect 7-10 business days for your request to process. The Texas Veterans Commission cannot ensure data integrity for documents sent digitally. Please take the necessary precautions to protect your information and redact or block sensitive credentials you send via email.

Comptroller

Once all owners have received their Letter of Verification of Veterans Honorable Discharge from the Texas Veterans Commission, download the Certification of New Veteran-Owned Business, Form 05-904 (pdf) and complete it for all owners.

- Download & Complete the from the Texas Comptroller's website [here](#). *If the entity formed is a corporation, limited liability company, limited partnership, limited liability partnership or professional association, you do not have to submit any documentation to the comptroller.*

Texas Secretary of State

A Veteran-Owned business forming with the SOS must mail the following documents to the SOS office:

- A Letter of Verification of Veterans Honorable Discharge for each owner of the business;
- Form 05-904, Certification of New Veteran-Owned Business;
- SOS Entity Formation Documents.

Secretary of State

P.O. Box 13697

Austin, TX 78711-3697

For filing assistance, please call: (512) 463-5555

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STATEMENT REQUEST LETTER EXAMPLE FORMAT

Senate Bill 1049

Military Service Verification Request

[Date]

[Your Full Legal Name: *First, Middle, Last, Suffix*]

[Street Address]

[City, State, Zip Code]

[Preferred email address] (*If an email address is not provided, it will be sent via USPS which will extend the process*)

[Phone Number]

In accordance with the verification provision of Senate Bill 1049 I am hereby requesting verification of my status as an honorably discharged Veteran of the United States Military.

[Veteran's Signature]

Attachment: DD-214 Member 4 or Service 2 Copy

Please note:

- ◇ Processing is 7 to 10 business days from receipt
- ◇ To avoid delay, submit only the correct version of items requested and provide information requested
- ◇ Email your questions to:

SB1049@tvc.texas.gov

SB 1049 Resources

**Texas Veterans
Commission**

Veteran Entrepreneur Program
1700 North Congress Avenue, Ste. 800
P.O. Box 12277
Austin, TX 78711
SB1049@tvc.texas.gov
www.tvc.texas.gov

**Texas
Comptroller**

Comptroller of Public Accounts
P.O. Box 149348
Austin, TX 78714-9348
(512) 463-4402
www.comptroller.texas.gov

**Secretary of
State**

Secretary of State
P.O. Box 13697
Austin, TX 78711
(512) 463-5555
www.sos.state.tx.us