

Amend CSSB 275 by adding the following appropriately numbered sections to the bill and renumbering subsequent sections accordingly:

SECTION _____. Subchapter B, Chapter 171, Tax Code, is amended by adding Section 171.088 to read as follows:

Sec. 171.088. EXEMPTION--BIOTECHNOLOGY CORPORATIONS. (a) In this section, "biotechnology research and development" means an activity that is described in category 541710 of the 2002 North American Industry Classification System and that is predominantly related to life sciences.

(b) A corporation engaged primarily in biotechnology research and development is exempted from the franchise tax.

SECTION _____. (a) Section 171.088, Tax Code, as added by this Act, takes effect January 1, 2006.

(b) Section 171.088, Tax Code, as added by this Act, does not affect taxes imposed before the effective date of that section, and the law in effect before the effective date of that section is continued in effect for the purposes of the liability for and collection of those taxes.