

Amend CSHB 3 by adding the following appropriately numbered section to Part A of Article 3 of the bill and renumbering subsequent sections accordingly:

SECTION 3A.____. (a) There are exempted from the increase in the rate of the tax imposed by Chapter 151, Tax Code, that is made by this part the receipts from the sale, use, or rental and the storage, use, or consumption in this state of taxable items, if:

(1) the items are used:

(A) for the performance of a construction contract entered into on or before August 1, 2005, if the contract is not subject to change or modification because of the tax rate increase made by this part; or

(B) pursuant to an obligation of a bid submitted for a construction contract submitted on or before August 1, 2005, if the bid may not be withdrawn, modified, or changed because of the tax rate increase made by this part; and

(2) an electronic or paper copy of the contract or bid on which the exemption is claimed is given by the taxpayer to the comptroller not later than October 1, 2005.

(b) The exemption provided by this section expires August 14, 2008.