

Amend Floor Amendment No. 13 to **CSHB 3** by deleting Subsection (2), lines 6 and 7, and inserting the following language:

PART D. TRANSITIONAL PROVISIONS FOR PARTS A, B, AND C

SECTION 2D.01. (a) Subject to other provisions of this section, Parts A, B, and C of this article apply to reports originally due on or after the effective date of those parts.

(b) For a corporation becoming subject to the franchise tax under this article:

(1) income or losses, and related gross receipts, occurring before January 1, ~~2005~~ 2006, may not be considered for purposes of the earned surplus component, or for apportionment purposes for the taxable capital component;

(2) a corporation subject to the franchise tax on January 1, ~~2006~~ 2007, for which January 1, ~~2006~~ 2007, is not the beginning date, shall file an annual report due May 15, ~~2006~~ 2007, based on the period:

(A) beginning on the later of:

(i) January 1, ~~2005~~ 2006; or

(ii) the date the corporation was organized in this state or, if a foreign corporation, the date it began doing business in this state; and

(B) ending on the date the corporation's last accounting period ends in ~~2005~~ 2006 or, if none, on December 31, ~~2005~~ 2006; and

(3) a corporation subject to the earned surplus component of the franchise tax at any time after October 31, ~~2005~~ 2006, and before January 1, ~~2006~~ 2007, but not subject to the earned surplus component on January 1, ~~2006~~ 2007, shall file a final report computed on net taxable earned surplus, for the privilege of doing business at any time after October 31, ~~2005~~ 2006, and before January 1, ~~2006~~ 2007, based on the period:

(A) beginning on the later of:

(i) January 1, ~~2005~~ 2006; or

(ii) the date the corporation was organized in this state or, if a foreign corporation, the date it began doing business in this state; and

(B) ending on the date the corporation became no

longer subject to the earned surplus component of the tax.

SECTION 2D.02. Parts A, B, and C of this article take effect, except as provided by those parts, November 1, ~~2005~~ 2006, and apply to reports originally due on or after that date.