

Amend CSHB 3 as follows:

On page 3, after line 63, insert a new SECTION 2A.07 as follows, and renumber subsequent SECTIONS accordingly:

SECTION 2A.07. Section 171.109, Tax Code, is amended by adding a new Subsection (o) to read as follows:

(o) Notwithstanding any other subsection in this section, there shall be excluded from the taxable capital of a parent or investor corporation the direct or indirect investment by that parent or investor corporation in one or more other corporations in which that parent or investor corporation has a "controlling interest" as that term is defined in Section 171.1001. In the event a partnership becomes subject to tax under this chapter, the term corporation shall include a partnership for purposes of this subsection.