

Amend **CSHB 3** as follows:

Strike Sections 171.1011(n) and (o), Tax Code, as added by SECTION 3 of the bill (pages 23-24), and substitute new Subsections (n), (n-1), and (o) to read as follows:

(n) Except as provided by Subsection (o), a taxable entity that is a health care provider shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3):

(1) 150 percent of the total amount of payments, from whatever source derived, the health care provider received under the Medicaid program and Children's Health Insurance Program (CHIP);

(2) 100 percent of the total amount of payments, from whatever source derived, the health care provider received:

(A) under the Medicare program;

(B) for services provided in relation to a workers' compensation claim under Title 5, Labor Code; and

(C) for services provided to a beneficiary rendered under the TRICARE military health system; and

(3) 100 percent of the actual cost to the health care provider for any uncompensated care provided, but only if the provider maintains records of the uncompensated care for auditing purposes and, if the provider later receives payment for all or part of that care, the provider adjusts the amount excluded for the tax year in which the payment is received.

(n-1) The comptroller shall adopt rules governing:

(1) the computation of the actual cost to a health care provider of any uncompensated care provided under Subsection (n)(3); and

(2) the accounting, audit, and other requirements related to the computation of those costs.

(o) A health care provider that is a health care institution shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3):

(1) 75 percent of the total amount of payments

described by Subsection (n)(1); and

(2) 50 percent of the total amounts of payments described by Subsection (n)(2) and of the costs described by Subsection (n)(3).