

Amend CSHB 3 as follows:

(1) On page 12, line 12, strike "Except" and substitute "Subject to Section 171.003 and except".

(2) On page 14, between lines 12 and 13, insert:

Sec. 171.003. INCREASE IN RATE REQUIRES VOTER APPROVAL.

(a) An increase in a rate provided by Section 171.002(a) or (b) takes effect only if approved by a majority of the registered voters voting in a statewide referendum held on the question of increasing the rate. The referendum must specify the increased rate or rates.

(b) This section does not apply to a decrease in a rate provided by Section 171.002(a) or (b). If a rate is decreased, this section applies to any subsequent increase in that rate.

(c) This section does not apply to any change in the tax imposed by this chapter in relation to:

(1) the manner in which the tax is computed, including the determination of margin and taxable margin and any allowable deductions or credits;

(2) the manner in which the tax is administered or enforced; or

(3) the applicability of the tax to certain entities.