

Amend the Rose Amendment to **CSHB 3** by striking the text of the amendment and substituting the following:

Amend **CSHB 3** as follows:

(1) On page 1, line 16, strike "\$1.00" and substitute "\$.997".

(2) On page 1, line 19, strike "\$1.00" and substitute "\$.997".

(3) On page 1, line 21, strike "\$1.00." and substitute "\$.997."

(4) On page 1, line 24, strike "\$0.50" and substitute "\$.503".

(5) In Article 2 of the bill, as amended by the Keffer Amendment, add the following Sections to Chapter 251, Tax Code, as added by the Keffer Amendment:

Sec. 251.0195. PROVISIONS APPLICABLE TO CERTAIN BUSINESSES.

(a) Notwithstanding Section 251.019, a business that may owe insurance premium taxes under Subtitle B, Title 3, Insurance Code, is not entitled to a credit of the taxes paid under this chapter against any tax imposed on those gross receipts.

(b) A tax paid under this chapter by a taxable business that may owe insurance premium taxes under Subtitle B, Title 3, Insurance Code, is considered a disallowed expense for purposes of Article 5.13-2, Insurance Code, and may not be included by the taxable business in determining insurance rates or premiums.

(6) Add the following appropriately numbered SECTIONS to Article 2 of the bill as amended by the Keffer Amendment:

SECTION 2.\_\_\_. Subchapter A, Chapter 171, Tax Code, is amended by adding Section 171.006 to read as follows:

Sec. 171.006. DISALLOWED EXPENSE FOR CERTAIN TAXABLE BUSINESSES. A tax paid under this chapter by a taxable business that may owe insurance premium taxes under Subtitle B, Title 3, Insurance Code, is considered a disallowed expense for purposes of Article 5.13-2, Insurance Code, and may not be included by the taxable business in determining insurance rates or premiums.

SECTION 2.\_\_\_. Section 203.001, Insurance Code, as effective April 1, 2005, is amended by adding Subsection (d) to read as follows:

(d) This section does not prohibit the imposition of a tax imposed by Chapter 171 or 251, Tax Code, unless a specific exemption for insurers or health maintenance organizations is provided in those chapters.

SECTION 2. \_\_. The following provisions of the Tax Code are repealed:

- (1) Sections 171.052, 171.0525, and 171.0527; and
- (2) Subchapter U, Chapter 171, as added by Chapters 209 and 1274, Acts of the 78th Legislature, Regular Session, 2003.