

Amend CSHB 3928 as follows:

(1) On page 20, lines 25 through 26, strike "Sections 171.1013(a), (b), and (c), Tax Code, as effective January 1, 2008, are amended" and substitute "Section 171.1013, Tax Code, as effective January 1, 2008, is amended by amending Subsections (a), (b), and (c) and adding Subsections (a-1) and (a-2)".

(2) On page 21, between lines 19-20, insert the following:

(a-1) Notwithstanding the actual amount of wages and cash compensation paid by a taxable entity to its officers, directors, owners, partners, and employees, and notwithstanding Subsection (c), a taxable entity may not include under Subsection (a)(1) more than an amount equal to the product of \$300,000, or the amount determined under Section 171.006, per 12-month period on which margin is based, multiplied by the number of natural persons owning an interest in the partnership.

(a-2) For purposes of Subsection (a-1), the number of natural persons owning an interest in a partnership is the sum of the number of partners in the partnership who are natural persons and the number of natural persons who own an interest, directly or indirectly, in an entity that is a partner in the partnership, except that any natural person who is a partner and who also directly or indirectly owns an interest in an entity that is a partner in the partnership may only be counted once in determining the number of natural persons owning an interest in the partnership.

(3) On page 24, line 13, strike "pay the tax on the taxable margin" and substitute "include, for purposes of calculating its own taxable margin, the total revenue [~~pay the tax on the taxable margin~~]"

(4) On page 24, line 16, strike "taxable margin" and substitute "total revenue [~~taxable margin~~]"

(5) On page 24, line 18, between "margin" and the comma, insert "calculation".

(6) On page 24, line 18, strike "profits" and substitute "ownership [~~profits~~]"

(7) On page 24, line 23, strike "taxable margin" and substitute "total revenue [~~taxable margin~~]"