

Amend CSHB 500 (house committee report) by striking page 7, lines 9 through 10, and substituting the following, appropriately numbered:

SECTION _____. Section 171.1012, Tax Code, is amended by amending Subsection (f) and adding Subsection (q) to read as follows:

(f) A taxable entity may subtract as a cost of goods sold indirect or administrative overhead costs, including all mixed service costs, such as security services, legal services, data processing services, accounting services, personnel operations, and general financial planning and financial management costs, that it can demonstrate are allocable to the acquisition or production of goods, except that the amount subtracted may not exceed 5.5 [~~four~~] percent of the taxable entity's total indirect or administrative overhead costs, including all mixed service costs. Any costs excluded under Subsection (e) may not be subtracted under this subsection.