

Amend CSHB 500 (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 171.1013, Tax Code, is amended by adding Subsection (i) to read as follows:

(i) Subject to Section 171.1014 and the limitation in Subsection (c), a taxable entity that elects to subtract compensation for the purpose of computing its taxable margin under Section 171.101 may include as wages and cash compensation any nonemployee compensation paid to an independent contractor as reported on Internal Revenue Service Form 1099 or any subsequent form with a different number or designation that substantially provides the same information.