

Amend CSHB 500 (house committee report) as follows:

SECTION _____. Section 171.1014, Tax Code, is amended by adding Subsection (j) to read as follows:

(j) Notwithstanding any other provision of this section, a taxable entity that provides retail or wholesale electric utilities may not be included as a member of a combined group that includes one or more taxable entities that do not provide retail or wholesale electric utilities if that combined group in the absence of this subsection:

(1) would not meet the requirements of Section 171.002(c) solely because one or more members of the combined group provide retail or wholesale electric utilities; and

(2) would have less than five percent of the combined group's total revenue derived from providing retail or wholesale electric utilities.

SECTION _____. It is the intent of the legislature that certain taxable entities that are part of an affiliated group and that provide retail or wholesale electric utilities be disqualified as members of certain combined groups for purposes of the franchise tax.