

Amend CSHB 500 as follows:

(1) On page 1, line 20, add the following appropriately numbered sections and renumber subsequent sections accordingly:

SECTION \_\_\_\_\_. (a) Effective January 1, 2014, Sections 171.002(a) and (b), Tax Code, are amended to read as follows:

(a) Subject to Sections 171.003 and 171.1016 and except as provided by Subsection (b), the rate of the franchise tax is 0.90 [~~one~~] percent of taxable margin.

(b) Subject to Sections 171.003 and 171.1016, the rate of the franchise tax is 0.45 [~~0.5~~] percent of taxable margin for those taxable entities primarily engaged in retail or wholesale trade.

(b) This section applies only to a report originally due on or after January 1, 2014.

(2) On page 8, line 10 insert the following appropriately numbered sections and renumber subsequent sections accordingly:

SECTION \_\_\_\_\_. (a) Effective January 1, 2014, Section 171.1016(b), Tax Code, is amended to read as follows:

(b) The amount of the tax for which a taxable entity that elects to pay the tax as provided by this section is liable is computed by:

(1) determining the taxable entity's total revenue from its entire business, as determined under Section 171.1011;

(2) apportioning the amount computed under Subdivision (1) to this state, as provided by Section 171.106, to determine the taxable entity's apportioned total revenue; and

(3) multiplying the amount computed under Subdivision (2) by the rate of 0.5175 [~~0.575~~] percent.

(b) This section applies only to a report originally due on or after January 1, 2014.