



13 MAY -3 PM 6:15
HOUSE OF REPRESENTATIVES

Eiland

FLOOR AMENDMENT NO. _____

BY: _____

1 Amend C.S.H.B. No. 500 (house committee report) by adding the
2 following appropriately numbered SECTION to the bill and
3 renumbering the other SECTIONS of the bill accordingly:

4 SECTION _____. Section 171.1013(a), Tax Code, is amended to
5 read as follows:

6 (a) Except as otherwise provided by this section, "wages and
7 cash compensation" means the amount entered in the Medicare wages
8 and tips box of Internal Revenue Service Form W-2 or any subsequent
9 form with a different number or designation that substantially
10 provides the same information. The term also includes, to the
11 extent not included above:

12 (1) net distributive income from a taxable entity
13 treated as a partnership for federal income tax purposes, but only
14 if the person receiving the distribution is a natural person;

15 (2) net distributive income from limited liability
16 companies and corporations treated as S corporations for federal
17 income tax purposes, but only if the person receiving the
18 distribution is a natural person;

19 (3) stock awards and stock options deducted for
20 federal income tax purposes; ~~and~~

21 (4) net distributive income from a limited liability
22 company treated as a sole proprietorship for federal income tax
23 purposes, but only if the person receiving the distribution is a
24 natural person; and

25 (5) salaries or other compensation deducted for
26 federal income tax purposes of employees located outside the United
27 States for which the employer is not required to issue an Internal
28 Revenue Service Form W-2.