



13 MAY -4 PM 2:48  
HOUSE OF REPRESENTATIVES

*Arje da Butte*

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: *Francis P. [Signature]*

1 Amend C.S.H.B. No. 500 (house committee report) by striking  
2 page 7, lines 9 through 10, and substituting the following,  
3 appropriately numbered:

4 SECTION \_\_\_\_\_. Section 171.1012, Tax Code, is amended by  
5 amending Subsection (f) and adding Subsection (q) to read as  
6 follows:

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