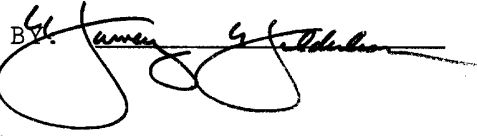




13 MAY -6 AM 9:37  
HOUSE OF REPRESENTATIVES

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

BY: 

1 Amend C.S.H.B. No. 500 (house committee printing) as follows:

2 (1) Strike SECTION 4 (page 2, line 12, through page 3, line  
3 15).

4 (2) On page 8, lines 7-8, strike "65 percent" and substitute  
5 "the applicable percentage".

6 (3) Add the following appropriately numbered SECTION to the  
7 bill:

8 SECTION \_\_\_\_\_. Section 171.101(a), Tax Code, is amended to  
9 read as follows:

10 (a) The taxable margin of a taxable entity is computed by:

11 (1) determining the taxable entity's margin, which is  
12 the lesser of:

13 (A) the applicable percentage [~~70 percent~~] of the  
14 taxable entity's total revenue from its entire business [~~as~~]  
15 determined under Section 171.1011, as follows:

16 (i) 40 percent, if the taxable entity's  
17 total revenue from its entire business is less than \$5 million;

18 (ii) 50 percent, if the taxable entity's  
19 total revenue from its entire business is at least \$5 million but  
20 less than \$10 million;

21 (iii) 60 percent, if the taxable entity's  
22 total revenue from its entire business is at least \$10 million but  
23 less than \$15 million; and

24 (iv) 70 percent, if the taxable entity's  
25 total revenue from its entire business is at least \$15 million; or

26 (B) an amount computed by:

27 (i) determining the taxable entity's total  
28 revenue from its entire business, under Section 171.1011;

29 (ii) subtracting, at the election of the

1 taxable entity, either:

2 (a) cost of goods sold, as determined  
3 under Section 171.1012; or

4 (b) compensation, as determined under  
5 Section 171.1013; and

6 (iii) subtracting, in addition to any  
7 subtractions made under Subparagraph (ii)(a) or (b), compensation,  
8 as determined under Section 171.1013, paid to an individual during  
9 the period the individual is serving on active duty as a member of  
10 the armed forces of the United States if the individual is a  
11 resident of this state at the time the individual is ordered to  
12 active duty and the cost of training a replacement for the  
13 individual;

14 (2) apportioning the taxable entity's margin to this  
15 state as provided by Section 171.106 to determine the taxable  
16 entity's apportioned margin; and

17 (3) subtracting from the amount computed under  
18 Subdivision (2) any other allowable deductions to determine the  
19 taxable entity's taxable margin.

20 (4) Renumber the existing SECTIONS of the bill accordingly.