



831429

*Amendment*

1 Amend CSHB 500 as follows:

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

HOUSE OF REPRESENTATIVES

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

6 (a) Subject to Sections 171.003 and 171.1016 and except as  
7 provided by Subsection (b), the rate of the franchise tax is 0.75  
8 ~~[one]~~ percent of taxable margin.

9 (b) Subject to Sections 171.003 and 171.1016, the rate of the  
10 franchise tax is 0.38 ~~[0.5]~~ percent of taxable margin for those  
11 taxable entities primarily engaged in retail or wholesale trade.

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

14 SECTION \_\_. (a) Effective January 1, 2015, Sections 171.002(a) and  
15 (b), Tax Code, are amended to read as follows:

16 (a) Subject to Sections 171.003 and 171.1016 and except as  
17 provided by Subsection (b), the rate of the franchise tax is 0.50  
18 ~~[one]~~ percent of taxable margin.

19 (b) Subject to Sections 171.003 and 171.1016, the rate of the  
20 franchise tax is 0.25 ~~[0.5]~~ percent of taxable margin for those  
21 taxable entities primarily engaged in retail or wholesale trade.

22 (b) This section applies only to a report originally due on or  
23 after January 1, 2015.

24 SECTION \_\_. (a) Effective January 1, 2016, Sections 171.002(a) and  
25 (b), Tax Code, are amended to read as follows:

26 (a) Subject to Sections 171.003 and 171.1016 and except as  
27 provided by Subsection (b), the rate of the franchise tax is 0.25  
28 ~~[one]~~ percent of taxable margin.

1 (b)Subject to Sections 171.003 and 171.1016, the rate of  
2 the franchise tax is 0.13 [~~0.5~~] percent of taxable margin for those  
3 taxable entities primarily engaged in retail or wholesale trade.

4 (b)This section applies only to a report originally due on  
5 or after January 1, 2016.

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

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

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

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

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

18 (3)multiplying the amount computed under Subdivision(2) by  
19 the rate of 0.43 [~~0.575~~] percent.

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

22 SECTION\_\_.(a) Effective January 1, 2015, Section 171.1016(b), Tax  
23 Code, is amended to read as follows:

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

1    computed by:

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

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

7                   (3)multiplying the amount computed under Subdivision(2) by  
8    the rate of 0.29 [~~0.575~~] percent.

9           (b)This section applies only to a report originally due on  
10   or after January 1, 2015.

11         SECTION\_\_.(a) Effective January 1, 2016, Section 171.1016(b), Tax  
12   Code, is amended to read as follows:

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

15   computed by:

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

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

21                   (3)multiplying the amount computed under Subdivision (2) by  
22   the rate of 0.14 [~~0.575~~] percent.

23           (b)This section applies only to a report originally due on or  
24   after January 1, 2016.

25         SECTION\_\_. Section 171.006(b), Tax Code, is amended to read as  
26   follows:

(b) Beginning in 2010, on January 1 of each even-numbered year, the amounts prescribed by Sections 171.002(d) (2) [~~171.0021~~] and 171.1013(c) are increased or decreased by an amount equal to the amount prescribed by those sections on December 31 of the preceding year multiplied by the percentage increase or decrease during the preceding state fiscal biennium in the consumer price index and rounded to the nearest \$10,000.

SECTION\_\_. Section 1(c), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.01, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, is repealed.

SECTION\_\_. Section 2, Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.02, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, and which amended former Subsection (d), Section 171.002, Tax Code, is repealed.

SECTION\_\_. Section 3, Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as amended by Section 37.03, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called Session, 2011, and which amended former Subsection (a), Section 171.0021, Tax Code, is repealed.

SECTION\_\_. Sections 171.0021 and 171.1016(d), Tax Code, are repealed.

SECTION\_\_. (a) Chapter 171, Tax Code, is repealed.

(b) A taxable entity that is subject to the franchise tax imposed under Chapter 171, Tax Code, on December 31, 2016, shall file a final franchise tax return and pay a transitional tax as required by this subsection on or before May 15, 2017. The transitional tax is equal to the tax the taxable entity would have paid in 2017 under Chapter 171, Tax Code, if Chapter 171, Tax Code, had not been repealed. The provisions of Chapter 171, Tax Code, relating to the computation and

1 payment of the franchise tax remain in effect after the repeal of  
2 Chapter 171, Tax Code, by this section for the purposes of computing  
3 and paying the transitional tax required by this subsection.

4 (c)Chapter 171, Tax Code, and Subtitle B, Title 2, Tax Code,  
5 continue to apply to audits, deficiencies, redeterminations, and  
6 refunds of any tax due or collected under Chapter 171, including the  
7 tax due as provided by Subsection (b) of this section, until barred by  
8 limitations.

9 (d)The repeal of Chapter 171, Tax Code, does not affect:

10 (1)the status of a taxable entity that has had its  
11 corporate privileges, certificate of authority, certificate of  
12 organization, certificate of limited partnership, corporate charter,  
13 or registration revoked, suit filed against it, or a receiver  
14 appointed under Subchapter F, G, or H of that chapter;

15 (2)the ability of the comptroller, secretary of state, or  
16 attorney general to take action against a taxable entity under  
17 Subchapter F, G, or H of that chapter for actions that took place  
18 before the repeal; or

19 (3)the right of a taxable entity to contest a forfeiture,  
20 revocation, lawsuit, or appointment of a receiver under Subchapter F,  
21 G, or H of that chapter.

22 (e)This section takes effect January 1, 2017.

23 (3) On page 9, line 4, strike "This" and insert "Except as otherwise  
24 provided by this Act, this".

25 On page 9, line 6, strike "This" and insert "Except as otherwise  
26 provided by this Act, this".