

1-1 By: Hilderbran, et al. (Senate Sponsor - Hegar) H.B. No. 500  
 1-2 (In the Senate - Received from the House May 9, 2013;  
 1-3 May 9, 2013, read first time and referred to Committee on Finance;  
 1-4 May 20, 2013, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 13, Nays 0, 1 present not  
 1-6 voting; May 20, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19				X
1-20			X	
1-21	X			
1-22	X			
1-23	X			

1-24 COMMITTEE SUBSTITUTE FOR H.B. No. 500 By: Hegar

1-25 A BILL TO BE ENTITLED  
 1-26 AN ACT

1-27 relating to the \$1 million total revenue exemption for the  
 1-28 franchise tax; temporarily decreasing the rates of the franchise  
 1-29 tax.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. Subchapter A, Chapter 171, Tax Code, is amended  
 1-32 by adding Section 171.0022 to read as follows:

1-33 Sec. 171.0022. TEMPORARY PERMISSIVE ALTERNATE RATES. (a)  
 1-34 Notwithstanding Section 171.002(a) and subject to Section 171.1016  
 1-35 and Subsection (b) of this section, a taxable entity may elect to  
 1-36 pay the tax imposed under this chapter at a rate of 0.95 percent of  
 1-37 taxable margin.

1-38 (b) Notwithstanding Section 171.002(b) and subject to  
 1-39 Section 171.1016, a taxable entity primarily engaged in retail or  
 1-40 wholesale trade as defined by Sections 171.002(c) and (c-1) may  
 1-41 elect to pay the tax imposed under this chapter at a rate of 0.475  
 1-42 percent of taxable margin.

1-43 (c) This section applies only to a report originally due on  
 1-44 or after January 1, 2014, and before January 1, 2016.

1-45 (d) This section expires December 31, 2015.

1-46 SECTION 2. (a) Section 1(c), Chapter 286 (H.B. 4765), Acts  
 1-47 of the 81st Legislature, Regular Session, 2009, as amended by  
 1-48 Section 37.01, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st  
 1-49 Called Session, 2011, is repealed.

1-50 (b) This section takes effect September 1, 2013.

1-51 SECTION 3. (a) Section 2, Chapter 286 (H.B. 4765), Acts of  
 1-52 the 81st Legislature, Regular Session, 2009, as amended by Section  
 1-53 37.02, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called  
 1-54 Session, 2011, and which amended former Subsection (d), Section  
 1-55 171.002, Tax Code, is repealed.

1-56 (b) This section takes effect September 1, 2013.

1-57 SECTION 4. (a) Section 3, Chapter 286 (H.B. 4765), Acts of  
 1-58 the 81st Legislature, Regular Session, 2009, as amended by Section  
 1-59 37.03, Chapter 4 (S.B. 1), Acts of the 82nd Legislature, 1st Called  
 1-60 Session, 2011, and which amended former Subsection (a), Section

2-1 171.0021, Tax Code, is repealed.

2-2 (b) This section takes effect September 1, 2013.

2-3 SECTION 5. Section 171.006(b), Tax Code, is amended to read  
2-4 as follows:

2-5 (b) Beginning in 2010, on January 1 of each even-numbered  
2-6 year, the amounts prescribed by Sections 171.002(d)(2)[~~7~~  
2-7 ~~171.0021,~~] and 171.1013(c) are increased or decreased by an amount  
2-8 equal to the amount prescribed by those sections on December 31 of  
2-9 the preceding year multiplied by the percentage increase or  
2-10 decrease during the preceding state fiscal biennium in the consumer  
2-11 price index and rounded to the nearest \$10,000.

2-12 SECTION 6. Sections 171.0021 and 171.1016(d), Tax Code, are  
2-13 repealed.

2-14 SECTION 7. This Act applies only to a report originally due  
2-15 on or after January 1, 2014.

2-16 SECTION 8. Except as otherwise provided by this Act, this  
2-17 Act takes effect January 1, 2014.

2-18

\* \* \* \* \*