

Amend CSHB 32 (house committee printing) as follows:

(1) In SECTION 1 of the bill, in amended Section 171.002(a), Tax Code (page 1, line 8), between "171.003" and "and", insert "171.004,".

(2) In SECTION 1 of the bill, in amended Section 171.002(b), Tax Code (page 1, line 11), between "171.003" and "and", insert "171.004,".

(3) In SECTION 2 of the bill, in amended Section 171.1016(b), Tax Code (page 1, line 22), strike "The" and insert in its place, "Subject to Section 171.004, the".

(4) Add the following appropriately numbered SECTION to the bill and renumber the SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 171, Tax Code, is amended by adding Section 171.004 to read as follows:

Sec. 171.004. ADJUSTMENT OF TAX RATES. (a) Beginning in 2018, on January 1 of each year of a biennium for which the comptroller's biennial revenue estimate projects state tax revenues not dedicated by the constitution will exceed the limit on those appropriations under Section 22(a), Article VIII, Texas Constitution:

(1) the rate of the franchise tax under Section 171.002(a) is adjusted by subtracting 0.15 from the rate in effect on December 31 of the previous year;

(2) the rate of the franchise tax under Section 171.002(b) is adjusted by subtracting 0.075 from the rate in effect on December 31 of the previous year; and

(3) the rate of the franchise tax under Section 171.1016(b)(3) is adjusted by subtracting 0.0662 from the rate in effect on December 31 of the previous year.

(b) The tax rates determined under Subsection (a) apply to a report originally due on or after the date the determination is made.

(c) Notwithstanding Subsection (a), if an adjustment otherwise required by Subsection (a) would reduce a rate of the franchise tax to less than zero, the rate is instead reduced to zero.

(d) Notwithstanding any other law, if the rates of the franchise tax are reduced to zero under Subsection (a) or (c), a

taxable entity does not owe any tax and is not required to file a report that would otherwise be originally due on or after the date the rates are reduced to zero.

(e) The comptroller shall make the determination required by Subsection (a) and may adopt rules related to making that determination. The comptroller shall publish the franchise tax rates determined under this section in the Texas Register and on the comptroller's Internet website not later than January 15 of each year.

(f) A determination by the comptroller under this section is final and may not be appealed.