

Amend CSHB 32 (house committee report) as follows:

(1) Strike SECTION 1 of the bill (page 1, lines 6 through 13) and substitute the following appropriately numbered SECTION of the bill:

SECTION _____. Subchapter A, Chapter 171, Tax Code, is amended by adding Section 171.0025 to read as follows:

Sec. 171.0025. TEMPORARY PERMISSIVE ALTERNATE RATES FOR 2016 AND 2017. (a) Notwithstanding Section 171.002(a) and subject to Sections 171.1016 and 171.1017 and Subsection (b) of this section, a taxable entity may elect to pay the tax imposed under this chapter at a rate of 0.75 percent of taxable margin.

(b) Notwithstanding Section 171.002(b) and subject to Sections 171.1016 and 171.1017, a taxable entity primarily engaged in retail or wholesale trade as defined by Sections 171.002(c) and (c-1) may elect to pay the tax imposed under this chapter at a rate of 0.375 percent of taxable margin.

(c) This section applies only to a report originally due on or after January 1, 2016, and before January 1, 2018.

(d) This section expires December 31, 2017.

(2) Strike SECTION 2 of the bill (page 1, line 14, through page 2, line 7) and substitute the following appropriately numbered SECTION of the bill:

SECTION _____. Subchapter C, Chapter 171, Tax Code, is amended by adding Section 171.1017 to read as follows:

Sec. 171.1017. TEMPORARY PERMISSIVE E-Z COMPUTATION AND RATE FOR 2016 AND 2017. (a) Notwithstanding any other provision of this chapter, a taxable entity whose total revenue from its entire business is not more than \$20 million may elect to pay the tax imposed under this chapter in the amount computed and at the rate provided by this section rather than in the amount computed and at the tax rate provided by Section 171.002, 171.0025, or 171.1016.

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

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

(2) apportioning the amount computed under

Subdivision (1) to this state, as provided by Section 171.106, to determine the taxable entity's apportioned total revenue; and

(3) multiplying the amount computed under Subdivision (2) by the rate of 0.331 percent.

(c) A taxable entity that elects to pay the tax as provided by this section may not take a credit, deduction, or other adjustment that is not specifically authorized by this section.

(d) A reference in this chapter or other law to the rate of the franchise tax means, as appropriate, the rate under Section 171.002, 171.0025, or 171.1016 or, for a taxable entity that elects to pay the tax as provided by this section, the rate under this section.

(e) This section applies only to a report originally due on or after January 1, 2016, and before January 1, 2018.

(f) This section expires December 31, 2017.