

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 Sections 171.0025 and 171.0026 to read as follows:

Sec. 171.0025. TEMPORARY PERMISSIVE ALTERNATE RATES FOR 2016. (a) Notwithstanding Section 171.002(a) and subject to Sections 171.1016, 171.1017, and Subsections (b) and (d) 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 and Subsection (d) of this section, 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, 2017.

(d) A taxable entity may elect to compute the tax at the rate provided by Subsection (a) or (b), as applicable, on a report specified by Subsection (c) only if the comptroller certifies, on or after September 1, 2015, that probable revenue for the state fiscal year ending August 31, 2016, is estimated to exceed probable revenue for that state fiscal year as stated in the comptroller's Biennial Revenue Estimate for the 2016-2017 fiscal biennium, as adjusted for estimates of revenue and disbursements associated with legislation enacted by the 84th Legislature, including any contingent appropriations certified before September 1, 2015, by an amount sufficient to offset the loss in probable revenue that will result if taxable entities elect to compute the tax at the rates provided by Subsections (a) and (b) and in the manner provided by Section 171.1017. If the comptroller does not make the certification described by this subsection, a taxable entity may not elect to pay the tax at the rate provided by Subsection (a) or (b) and shall pay the tax at the rates provided by Section 171.002.

(e) This section expires December 31, 2016.

Sec. 171.0026. TEMPORARY PERMISSIVE ALTERNATE RATES FOR 2017. (a) Notwithstanding Section 171.002(a) and subject to Sections 171.1016 and 171.1018 and Subsections (b) and (d) 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 171.1018 and Subsection (d) of this section, 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, 2017, and before January 1, 2018.

(d) A taxable entity may elect to compute the tax at the rate provided by Subsection (a) or (b), as applicable, on a report specified by Subsection (c) only if the comptroller certifies, on or after September 1, 2016, that probable revenue for the state fiscal year ending August 31, 2017, is estimated to exceed probable revenue for that state fiscal year as stated in the comptroller's Biennial Revenue Estimate for the 2016-2017 fiscal biennium, as adjusted for estimates of revenue and disbursements associated with legislation enacted by the 84th Legislature, including any contingent appropriations certified before September 1, 2016, by an amount sufficient to offset the loss in probable revenue that will result if taxable entities elect to compute the tax at the rates provided by Subsections (a) and (b) and in the manner provided by Section 171.1018. If the comptroller does not make the certification described by this subsection, a taxable entity may not elect to pay the tax at the rate provided by Subsection (a) or (b) and shall pay the tax at the rates provided by Section 171.002.

(e) 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 Sections 171.1017 and 171.1018 to read as

follows:

Sec. 171.1017. TEMPORARY PERMISSIVE E-Z COMPUTATION AND RATE FOR 2016. (a) Notwithstanding any provision of this chapter other than Subsection (f), 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 to a report originally due on or after January 1, 2016, and before January 1, 2017.

(f) A taxable entity may elect to pay the tax imposed under this chapter in the amount computed and at the rate provided by this section on a report specified by Subsection (e) only if the comptroller certifies, on or after September 1, 2015, that probable revenue for the state fiscal year ending August 31, 2016, is estimated to exceed probable revenue for that state fiscal year as stated in the comptroller's Biennial Revenue Estimate for the 2016-2017 fiscal biennium, as adjusted for estimates of revenue and

disbursements associated with legislation enacted by the 84th Legislature, including any contingent appropriations certified before September 1, 2015, by an amount sufficient to offset the loss in probable revenue that will result if taxable entities elect to compute the tax at the rates provided by Section 171.0025 and in the manner provided by this section. If the comptroller does not make the certification described by this subsection, a taxable entity may not elect to pay the tax imposed under this chapter in the amount computed and at the rate provided by this section and shall pay the tax at the rates provided by Section 171.002 or in the manner provided by Section 171.1016, as appropriate.

(g) This section expires December 31, 2016.

Sec. 171.1018. TEMPORARY PERMISSIVE E-Z COMPUTATION AND RATE FOR 2017. (a) Notwithstanding any provision of this chapter other than Subsection (f), 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, 171.0026, 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, 171.0026, 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 to a report originally due on or after January 1, 2017, and before January 1, 2018.

(f) A taxable entity may elect to pay the tax imposed under this chapter in the amount computed and at the rate provided by this section on a report specified by Subsection (e) only if the comptroller certifies, on or after September 1, 2016, that probable revenue for the state fiscal year ending August 31, 2017, is estimated to exceed probable revenue for that state fiscal year as stated in the comptroller's Biennial Revenue Estimate for the 2016-2017 fiscal biennium, as adjusted for estimates of revenue and disbursements associated with legislation enacted by the 84th Legislature, including any contingent appropriations certified before September 1, 2016, by an amount sufficient to offset the loss in probable revenue that will result if taxable entities elect to compute the tax at the rates provided by Section 171.0026 and in the manner provided by this section. If the comptroller does not make the certification described by this subsection, a taxable entity may not elect to pay the tax imposed under this chapter in the amount computed and at the rate provided by this section and shall pay the tax at the rates provided by Section 171.002 or in the manner provided by Section 171.1016, as appropriate.

(g) This section expires December 31, 2017.