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FLOOR AMENDMENT NO. _____

BY:

1 Amend C.S.H.B. No. 32 (house committee report) as follows:

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

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

7 Sec. 171.0025. TEMPORARY PERMISSIVE ALTERNATE RATES FOR
8 2016 AND 2017. (a) Notwithstanding Section 171.002(a) and subject
9 to Sections 171.1016 and 171.1017 and Subsection (b) of this
10 section, a taxable entity may elect to pay the tax imposed under
11 this chapter at a rate of 0.75 percent of taxable margin.

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

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

19 (d) This section expires December 31, 2017.

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

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

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

1 provided by this section rather than in the amount computed and at
2 the tax rate provided by Section 171.002, 171.0025, or 171.1016.

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

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

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

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

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

16 (d) A reference in this chapter or other law to the rate of
17 the franchise tax means, as appropriate, the rate under Section
18 171.002, 171.0025, or 171.1016 or, for a taxable entity that elects
19 to pay the tax as provided by this section, the rate under this
20 section.

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

23 (f) This section expires December 31, 2017.