



FLOOR AMENDMENT NO. \_\_\_\_\_

BY: *Y. Davis*

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 Sections 171.0025 and 171.0026 to read as  
7 follows:

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

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

19 (c) This section applies only to a report originally due on  
20 or after January 1, 2016, and before January 1, 2017.

21 (d) A taxable entity may elect to compute the tax at the rate  
22 provided by Subsection (a) or (b), as applicable, on a report  
23 specified by Subsection (c) only if the comptroller certifies, on  
24 or after September 1, 2015, that probable revenue for the state  
25 fiscal year ending August 31, 2016, is estimated to exceed probable  
26 revenue for that state fiscal year as stated in the comptroller's  
27 Biennial Revenue Estimate for the 2016-2017 fiscal biennium, as  
28 adjusted for estimates of revenue and disbursements associated with  
29 legislation enacted by the 84th Legislature, including any

1 contingent appropriations certified before September 1, 2015, by an  
2 amount sufficient to offset the loss in probable revenue that will  
3 result if taxable entities elect to compute the tax at the rates  
4 provided by Subsections (a) and (b) and in the manner provided by  
5 Section 171.1017. If the comptroller does not make the  
6 certification described by this subsection, a taxable entity may  
7 not elect to pay the tax at the rate provided by Subsection (a) or  
8 (b) and shall pay the tax at the rates provided by Section 171.002.

9 (e) This section expires December 31, 2016.

10 Sec. 171.0026. TEMPORARY PERMISSIVE ALTERNATE RATES FOR  
11 2017. (a) Notwithstanding Section 171.002(a) and subject to  
12 Sections 171.1016 and 171.1018 and Subsections (b) and (d) of this  
13 section, a taxable entity may elect to pay the tax imposed under  
14 this chapter at a rate of 0.75 percent of taxable margin.

15 (b) Notwithstanding Section 171.002(b) and subject to  
16 Sections 171.1016 and 171.1018 and Subsection (d) of this section,  
17 a taxable entity primarily engaged in retail or wholesale trade as  
18 defined by Sections 171.002(c) and (c-1) may elect to pay the tax  
19 imposed under this chapter at a rate of 0.375 percent of taxable  
20 margin.

21 (c) This section applies only to a report originally due on  
22 or after January 1, 2017, and before January 1, 2018.

23 (d) A taxable entity may elect to compute the tax at the rate  
24 provided by Subsection (a) or (b), as applicable, on a report  
25 specified by Subsection (c) only if the comptroller certifies, on  
26 or after September 1, 2016, that probable revenue for the state  
27 fiscal year ending August 31, 2017, is estimated to exceed probable  
28 revenue for that state fiscal year as stated in the comptroller's  
29 Biennial Revenue Estimate for the 2016-2017 fiscal biennium, as  
30 adjusted for estimates of revenue and disbursements associated with  
31 legislation enacted by the 84th Legislature, including any

1 contingent appropriations certified before September 1, 2016, by an  
2 amount sufficient to offset the loss in probable revenue that will  
3 result if taxable entities elect to compute the tax at the rates  
4 provided by Subsections (a) and (b) and in the manner provided by  
5 Section 171.1018. If the comptroller does not make the  
6 certification described by this subsection, a taxable entity may  
7 not elect to pay the tax at the rate provided by Subsection (a) or  
8 (b) and shall pay the tax at the rates provided by Section 171.002.

9 (e) This section expires December 31, 2017.

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

13 SECTION \_\_\_\_\_. Subchapter C, Chapter 171, Tax Code, is  
14 amended by adding Sections 171.1017 and 171.1018 to read as  
15 follows:

16 Sec. 171.1017. TEMPORARY PERMISSIVE E-Z COMPUTATION AND  
17 RATE FOR 2016. (a) Notwithstanding any provision of this chapter  
18 other than Subsection (f), a taxable entity whose total revenue  
19 from its entire business is not more than \$20 million may elect to  
20 pay the tax imposed under this chapter in the amount computed and at  
21 the rate provided by this section rather than in the amount computed  
22 and at the tax rate provided by Section 171.002, 171.0025, or  
23 171.1016.

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

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

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

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

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

6           (d) A reference in this chapter or other law to the rate of  
7 the franchise tax means, as appropriate, the rate under Section  
8 171.002, 171.0025, or 171.1016 or, for a taxable entity that elects  
9 to pay the tax as provided by this section, the rate under this  
10 section.

11           (e) This section applies to a report originally due on or  
12 after January 1, 2016, and before January 1, 2017.

13           (f) A taxable entity may elect to pay the tax imposed under  
14 this chapter in the amount computed and at the rate provided by this  
15 section on a report specified by Subsection (e) only if the  
16 comptroller certifies, on or after September 1, 2015, that probable  
17 revenue for the state fiscal year ending August 31, 2016, is  
18 estimated to exceed probable revenue for that state fiscal year as  
19 stated in the comptroller's Biennial Revenue Estimate for the  
20 2016-2017 fiscal biennium, as adjusted for estimates of revenue and  
21 disbursements associated with legislation enacted by the 84th  
22 Legislature, including any contingent appropriations certified  
23 before September 1, 2015, by an amount sufficient to offset the loss  
24 in probable revenue that will result if taxable entities elect to  
25 compute the tax at the rates provided by Section 171.0025 and in the  
26 manner provided by this section. If the comptroller does not make  
27 the certification described by this subsection, a taxable entity  
28 may not elect to pay the tax imposed under this chapter in the  
29 amount computed and at the rate provided by this section and shall  
30 pay the tax at the rates provided by Section 171.002 or in the  
31 manner provided by Section 171.1016, as appropriate.

1 (g) This section expires December 31, 2016.

2 Sec. 171.1018. TEMPORARY PERMISSIVE E-Z COMPUTATION AND  
3 RATE FOR 2017. (a) Notwithstanding any provision of this chapter  
4 other than Subsection (f), a taxable entity whose total revenue  
5 from its entire business is not more than \$20 million may elect to  
6 pay the tax imposed under this chapter in the amount computed and at  
7 the rate provided by this section rather than in the amount computed  
8 and at the tax rate provided by Section 171.002, 171.0026, or  
9 171.1016.

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

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

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

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

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

23 (d) A reference in this chapter or other law to the rate of  
24 the franchise tax means, as appropriate, the rate under Section  
25 171.002, 171.0026, or 171.1016 or, for a taxable entity that elects  
26 to pay the tax as provided by this section, the rate under this  
27 section.

28 (e) This section applies to a report originally due on or  
29 after January 1, 2017, and before January 1, 2018.

30 (f) A taxable entity may elect to pay the tax imposed under  
31 this chapter in the amount computed and at the rate provided by this

1 section on a report specified by Subsection (e) only if the  
2 comptroller certifies, on or after September 1, 2016, that probable  
3 revenue for the state fiscal year ending August 31, 2017, is  
4 estimated to exceed probable revenue for that state fiscal year as  
5 stated in the comptroller's Biennial Revenue Estimate for the  
6 2016-2017 fiscal biennium, as adjusted for estimates of revenue and  
7 disbursements associated with legislation enacted by the 84th  
8 Legislature, including any contingent appropriations certified  
9 before September 1, 2016, by an amount sufficient to offset the loss  
10 in probable revenue that will result if taxable entities elect to  
11 compute the tax at the rates provided by Section 171.0026 and in the  
12 manner provided by this section. If the comptroller does not make  
13 the certification described by this subsection, a taxable entity  
14 may not elect to pay the tax imposed under this chapter in the  
15 amount computed and at the rate provided by this section and shall  
16 pay the tax at the rates provided by Section 171.002 or in the  
17 manner provided by Section 171.1016, as appropriate.

18 (g) This section expires December 31, 2017.