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HOUSE OF REPRESENTATIVES

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:

4 SECTION _____. Subchapter A, Chapter 171, Tax Code, is
5 amended by adding Section 171.0024 to read as follows:

6 Sec. 171.0024. ALTERNATE RATES FOR CERTAIN TAXABLE
7 ENTITIES. (a) This section applies only to a taxable entity that
8 pays each employee of the taxable entity a wage of at least \$10.10
9 per hour.

10 (b) Notwithstanding Section 171.002(a) and subject to
11 Section 171.1016 and Subsection (c) of this section, the rate of the
12 franchise tax for a taxable entity to whom this section applies is
13 0.75 percent of taxable margin.

14 (c) Notwithstanding Section 171.002(b) and subject to
15 Section 171.1016, the rate of the franchise tax for a taxable entity
16 to whom this section applies who is primarily engaged in retail or
17 wholesale trade as defined by Sections 171.002(c) and (c-1) is
18 0.375 percent of taxable margin.

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

22 SECTION _____. Section 171.1016, Tax Code, is amended by
23 amending Subsection (a) and adding Subsection (f) to read as
24 follows:

25 (a) Notwithstanding any other provision of this chapter, a
26 taxable entity whose total revenue from its entire business is not
27 more than \$10 million may elect to pay the tax imposed under this
28 chapter in the amount computed and at the applicable rate provided
29 by this section rather than in the amount computed and at the tax

1 rate provided by Section 171.002 or 171.0024.

2 (f) Notwithstanding any other provision of this chapter, a
3 taxable entity who pays each employee of the taxable entity a wage
4 of at least \$10.10 per hour and whose total revenue from its entire
5 business is not more than \$20 million:

6 (1) may elect to pay the tax imposed under this chapter
7 in the amount computed under this section rather than in the amount
8 computed under Section 171.0024; and

9 (2) if the taxable entity makes the election under
10 Subdivision (1), shall compute the tax as provided by Subsection
11 (b), except that the rate to be multiplied by the amount determined
12 under Subsection (b)(2) is 0.331 percent instead of the rate
13 specified by Subsection (b)(3).