

On page 1, line 1, of the House Taxation Engrossed bill, delete "exclude guaranteed payments made to partners from the definition of gross receipts, and to exempt guaranteed payments made to partners from the state use tax" and insert "exempt from the state sales and use tax gross receipts for certain services to a partnership"

On the House Taxation Engrossed bill, delete everything after the enacting clause and insert:

**Section 1. That a NEW SECTION be added to chapter 10-45:**

The following are exempt from the provisions of this chapter and from the computation of the tax imposed by this chapter:

- (1) Gross receipts from services rendered by a natural person to a business taxed as a partnership in which the natural person is an owner;
- (2) Gross receipts from services rendered by a limited liability company, which has no employees and is wholly owned by a natural person, to a business taxed as a partnership in which the limited liability company is an owner; and
- (3) Gross receipts from services rendered by a corporation, which is wholly owned by a natural person and has no employees other than its owner, to a business taxed as a partnership in which the corporation is an owner.

**Section 2. That a NEW SECTION be added to chapter 10-46:**

The following are exempt from the provisions of this chapter and from the computation of tax imposed by this chapter:

- (1) Gross receipts from services rendered by a natural person to a business taxed as a partnership in which the natural person is an owner;
- (2) Gross receipts from services rendered by a limited liability company, which has no employees and is wholly owned by a natural person, to a business taxed as a partnership in which the limited liability company is an owner; and
- (3) Gross receipts from services rendered by a corporation, which is wholly owned by a natural person and has no employees other than its owner, to a business taxed as a partnership in which the corporation is an owner.

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