

Amend CSHB 7 by striking Art. 22 and substituting the following appropriately numbered article to read as follows and renumbering subsequent articles accordingly:

ARTICLE 22. REVIEW OF CERTAIN TAX SETTLEMENTS

SECTION __.01. Chapter 321, Government Code, is amended by adding Section 321.0138 to read as follows:

Sec. 321.0138. REVIEW OF CERTAIN STATE TAX SETTLEMENTS.

(a) Except as provided by Subsection (b), this section applies to a settlement entered into by the comptroller under Section 111.101 or 111.102, Tax Code, of:

(1) a claim for a tax, a penalty, or interest imposed by Title 2, Tax Code, if:

(A) the amount the taxpayer is required to pay under the settlement is more than 25 percent less than the amount the comptroller originally claimed the taxpayer owed before the date of the settlement; and

(B) the amount the comptroller originally claimed the taxpayer owed before the date of the settlement exceeds \$25,000;

(2) a claim for a refund or credit of a tax, a penalty, or interest imposed by Title 2, Tax Code, if:

(A) the amount of the refund or credit under the settlement exceeds \$25,000; and

(B) the amount of the refund or credit under the settlement is more than 25 percent greater than the amount of the refund or credit that the comptroller originally claimed the taxpayer was entitled to receive; or

(3) a taxpayer suit under Chapter 112, Tax Code, if:

(A) the amount to be paid, refunded, or credited to the taxpayer under the settlement exceeds \$25,000; and

(B) the amount to be paid, refunded, or credited under the settlement is more than 25 percent greater than the amount of the payment, refund, or credit that the comptroller originally claimed the taxpayer was entitled to receive.

(b) This section does not apply to an agreed settlement that results from an order issued by a court.

(c) The legislative audit committee shall appoint not fewer

than five nor more than seven staff members of the state auditor's office to an oversight committee to review tax settlements to which this section applies.

(d) Each month, the comptroller shall send to the oversight committee information relating to tax settlements to which this section applies that the comptroller entered into during the previous month.

(e) Notwithstanding any other law, in reviewing a tax settlement, the oversight committee is entitled to access to information related to the settlement to the same extent the state auditor would be entitled under Section 321.013 if the information were in a department or entity that is subject to audit. In accordance with Section 321.013(h), neither the oversight committee nor the state auditor may conduct audits of private entities concerning the collection or remittance of taxes or fees to this state.

(f) A review by the oversight committee under this section is considered an audit for purposes of the application of Section 552.116, relating to confidentiality of audit working papers, and a report prepared by the oversight committee is considered to be an audit working paper. Information obtained or possessed by the oversight committee, state auditor, or legislative audit committee that is confidential under law when in the possession of the comptroller remains confidential while in the possession of the oversight committee, state auditor, or legislative audit committee.

(g) The oversight committee shall report to the legislative audit committee the results of the oversight committee's reviews. The legislative audit committee shall determine the manner in which the oversight committee shall make the report.

(h) Except as provided by Subsection (e), this section does not affect any other law relating to confidentiality of information relating to tax information, including Sections 111.006, 151.027, and 171.206, Tax Code.

SECTION __.02. This article takes effect February 1, 2004.