

Amend Floor Amendment No. 29 to CSHB 7 by striking the text of the amendment and substituting the following:

Amend CSHB 7 by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES accordingly:

ARTICLE \_\_\_\_\_. INTEGRITY AND DISCLOSURE IN THE  
STATE TAX SYSTEM

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

Sec. 321.0138. REVIEW OF STATE TAX SETTLEMENTS AND OTHER DECISIONS. (a) This section applies to:

(1) a settlement of a claim for a tax, refund, or credit of a tax, penalty, or interest imposed by Title 2, Tax Code;

(2) a settlement of a taxpayer suit under Chapter 112, Tax Code; or

(3) any circumstance in which a taxpayer received a warrant, offset, check, payment, or credit from the comptroller or comptroller's office arising from the filing of a tax return with the state.

(b) The state auditor and the committee shall review the comptroller's records of all tax refunds, credits, payments, warrants, offsets, checks, and settlements for the preceding six years from the effective date of this section. The state auditor and the committee may review the comptroller's records of all tax refunds, credits, payments, warrants, offsets, checks, and settlements that occur following the effective date of this section. Notwithstanding any other law, in reviewing these tax refunds, credits, payments, warrants, offsets, checks, and settlements, the state auditor and the committee are entitled to access to related information to the same extent they 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 state auditor nor the committee may conduct audits of private entities concerning the collection or remittance of taxes or fees to this state.

(c) Within six months following the effective date of this section, the comptroller shall provide to the state auditor

information relating to tax refunds, credits, payments, warrants, offsets, checks, and settlements made in the past six years as requested by the state auditor. Commencing February 1, 2004, on a monthly basis, the comptroller shall provide to the state auditor information designated by the state auditor relating to tax refunds, credits, payments, warrants, offsets, checks, and settlements to which this section applies.

(d) A review by the state auditor under this section is considered an audit for purposes of the application of Section 552.116, relating to confidentiality of audit working papers. Information obtained or possessed by the state auditor or the committee that is confidential under law when in the possession of the comptroller remains confidential while in the possession of the state auditor or committee, except as provided by Subsection (e).

(e) The committee shall determine the manner in which the state auditor shall report information obtained pursuant to Subsection (b). The report may include any information obtained during the review, except that the report may not be formatted in a manner or include any information that discloses or effectively discloses the specific identity of an individual or taxpayer. The report must state the information by category or by numeric pseudonym and may include other information maintained by the Texas Ethics Commission.

(f) 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.

(g) This section does not affect any other law relating to release of information for legislative purposes, including Section 552.008, Government Code.

SECTION \_\_.02. This article takes effect February 1, 2004.