

Amend CSHB 2425 by inserting the following appropriately numbered section to read as follows and renumbering subsequent sections accordingly:

SECTION _____. (a) Subchapter L, Chapter 151, Tax Code, is amended by adding Section 151.715 to read as follows:

Sec. 151.715. COLLECTION ON EXEMPT ITEMS OR OVERCHARGING.

(a) A person is subject to a civil penalty of \$1,000 if the person continues to collect tax on an exempt item or to overcharge tax on a taxable item after receiving two written notices from the comptroller in relation to those actions. The person is subject to the civil penalty regardless of whether the person remits the collected tax to the comptroller.

(b) Each violation of Subsection (a) is subject to a separate civil penalty.

(b) This section takes effect September 1, 2003, and applies to a violation that occurs on or after that date, regardless of when the comptroller provided the written notices required by Section 151.715(a), Tax Code, as added by this section. A violation that occurs before the effective date of this section is governed by the law in effect on the date the violation occurred, and that law is continued in effect for that purpose.