

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 30, 2003

TO: Honorable Ron Wilson, Chair, House Committee on Ways & Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2772 by Solomons (Relating to civil penalty for sales and use tax.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would add Section 151.714 to the Tax Code to impose a penalty of \$1,000 per overcharge if a person failed to cease either collecting tax on exempt sales or overcharging tax on the sale of a taxable item after receiving two prior written notices from the Comptroller. The penalty would be assessed without regard to whether the person remitted the collected tax to the Comptroller.

The number of overcharges that would be penalized for improper collection of the sales tax would not significantly affect collections. Any such penalties imposed and collected would positively impact state fiscal revenues.

The bill would take effect September 1, 2003.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, SD, WP, SM