

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 13, 2003

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1433 by Averitt (Relating to certain information regarding sales and use taxes imposed by a municipality and to the confidentiality of that information; providing penalties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 151 of the Tax Code and add a new section to Chapter 321 of the Tax Code, relating to certain information regarding sales and use taxes imposed by a municipality and to the confidentiality of that information.

The bill would prohibit an officer or employee of an eligible municipality, or an agent acting on behalf of that municipality, to reveal or expose a seller's information to an unauthorized person. Any violation would be a Class A misdemeanor. If a municipality with a city sales tax had, in good faith, reason to believe that a seller had not properly reported or collected city sales tax revenue to the Comptroller's Office, the bill would allow the municipality to identify the seller by name and taxpayer identification number and the amount of tax revenue in question to the Comptroller's Office. After its investigation, the Comptroller's Office could provide its findings to the municipality.

A municipality could request, and the Comptroller's Office could provide, such information for any tax reporting period that ended during the four-year period preceding the date on which the municipality requested the information. To receive information, the governing body of a municipality requesting the information would have to certify to the Comptroller, by resolution, the name of the person or agent who could access the information. The agent who could access the information would have to have a contract with the municipality and would be prohibited under the contract from performing consulting services for a seller during the term of the contract and from retaining the information after the contract expired. Under certain conditions, the Comptroller could require the municipality to return information that the Comptroller had previously provided, or place conditions on the eligibility of the municipality to receive information in the future.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, DLBa, WP, SD, SM, KG