

BILL ANALYSIS

C.S.S.B. 269
By: Madla
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Alcoholic Beverage Commission (TABC) collects administrative fees and taxes on certain alcoholic beverages and cigarettes entering the state from foreign countries for personal use. As an example, the total tax and administrative fee on a fifth of distilled spirits is \$0.98. People coming across the Texas-Mexico border will pay a dollar and not want to keep the two pennies in change. Since the TABC is a government agency, it cannot keep the change that people try to leave behind. This places a burden on the TABC employees and increases the wait time at border crossings.

C.S.S.B. 269 allows the TABC to round up to the nearest quarter of a dollar the tax and fee on alcohol and the tax on cigarettes collected at the border.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 107.07, Alcoholic Beverage Code, by adding Subsection (g), to authorize the Texas Alcoholic Beverage Commission, when computing the total amount of taxes and administrative fees to be collected on alcoholic beverages imported by a person into the state for personal use, to round the amount up to the nearest quarter of a dollar.

SECTION 2. Amends Section 154.024(b), Tax Code, to authorize the Texas Alcoholic Beverage Commission, when computing taxes to be collected on cigarettes imported into this state, to round the total amount up to the nearest quarter of a dollar.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2005.

EFFECTIVE DATE

September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original by authorizing the commission to specifically round the amount up, rather than simply round, to the nearest quarter of a dollar when computing the total amount of taxes and administrative fees to be collected on certain beverages.