

## **BILL ANALYSIS**

C.S.H.B. 1015  
By: Chisum  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

C.S.H.B. 1015 amends Sections 111.0625 and 111.0626, Texas Tax Code, to provide increased flexibility in dealing with electronic funds transfer of payments to the comptroller and electronic filing of returns with the comptroller. The new franchise “margins” tax will significantly increase the number of taxpayers filing franchise reports from the current 600,000 plus to over 800,000 plus taxpayers.

The purpose of this bill is to allow the comptroller to accommodate the greatly increased number of taxpayers subject to the new franchise “margins” tax and reduce the volume of paper returns and checks. It gives the comptroller flexibility to adjust electronic reporting and payment requirements to achieve maximum efficiencies and cost-savings and still provides for exceptions for hardship situations.

### **RULEMAKING AUTHORITY**

This bill expressly grants additional rulemaking authority to the Comptroller of Public Accounts.

### **ANALYSIS**

This bill amends Section 111.0625, Tax Code to allow the comptroller to set the amount of taxes paid in the preceding fiscal year in a category of payments that will require the taxpayer to transfer payments by means of electronic funds transfer if the comptroller reasonably anticipates the person will pay at least that amount during the current fiscal year. The comptroller by rule may add categories of taxpayers or remove electronic payment requirements from the categories listed. The comptroller may provide a waiver from the requirements of electronic payment of taxes because of hardship, impracticality, or other reason. The comptroller may specify the types of electronic funds transfers a person must use to comply with this section. Current law requires taxpayers who paid \$100,000 or more in the previous fiscal year to transfer funds electronically where the comptroller anticipates the person will pay at least that amount during the current fiscal year.

This bill amends Section 111.0626, Tax Code, is amended by adding Subsection (b-1) requiring a taxpayer who paid \$50,000 or more during the year to file reports electronically. Taxpayer may use software provided by the comptroller.

This bill states Section 2 takes effect September 1, 2008. Except as provided by subsection (a), provides for an immediate effect of this Act upon receiving the necessary vote.

### **EFFECTIVE DATE**

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The filed bill limited the filing of electronic reports just to that group of taxpayers listed under sec. 111.0625. The new section requires taxpayers who pay \$50,000 or more during a year to file their reports electronically regardless of the amount of tax due. In addition, this section on filing reports electronically takes effect September 1, 2008.

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