

## **BILL ANALYSIS**

H.B. 2324  
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Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Article 1, Section 9 of the United States Constitution prohibits states from taxing exports to foreign countries. Texas provides five methods for purchasers to receive an exemption from or refund of sales taxes paid on exported property. One of those methods is documentation of export by a customs broker. In 2003, the 78<sup>th</sup> Legislature enacted statutory changes that restructured the customs broker provision to impose new fees and to create an online system for providing documentation of export. H.B. 2324 would amend the Tax Code to facilitate enforcement of the customs broker provision

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Sections 151.157(a-1), Tax Code, to eliminate the requirement that the comptroller of public accounts provide an alternative method for preparing documentation of export when the comptroller website is unavailable; amends Sections 151.157(f), Tax Code, to allow the comptroller to suspend or revoke a customs broker license if the broker issues false documentation or fails to pay penalties imposed by the comptroller; amends Sections 151.157 (f-1), Tax Code, to authorize the comptroller, in addition to other penalties, to require a broker to pay the amount of tax refunded and the amount of any penalty imposed under Section 151.1575(c), Tax Code, if the broker did not comply with statute or comptroller rule.

SECTION 2. Amends Section 151.1575 (b) Tax Code, to prohibit brokers or authorized employees from issuing a single export document for multiple receipts, and to require that the documentation of export must include a declaration that the broker or authorized employee has inspected the export property and the original receipt for that property; amends Section 151.1575 (c), Tax Code, to eliminate the requirement that penalties of over \$500 and less than \$5,000 be equal to the amount of taxes refunded.

SECTION 3. Provides that the change in law made by the Act applies only to documentation issued on or after the effective date of the Act, and provides that documentation issued before that date is governed by law that was in effect on the date the documentation was issued.

SECTION 4. Provides that the Act take effect September 1, 2007.

### **EFFECTIVE DATE**

The Act takes effect September 1, 2007.