

BILL ANALYSIS

Senate Research Center
80R1721 CBH-D

S.B. 377
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, smaller taxpayers are authorized to remit taxes manually. A more streamlined method is needed for more efficient tax collections for smaller taxpayers.

As proposed, S.B. 377 provides increased flexibility by allowing electronic funds transfer of payments to the comptroller of public accounts (comptroller) and electronic filing of returns with the comptroller.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 (Section 111.0625, Tax Code) of this bill.

Rulemaking authority previously granted to the comptroller of public accounts is modified in SECTION 1 (Section 111.0625, Tax Code) and SECTION 2 (Section 111.0626(c), Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 111.0625, Tax Code, as follows:

- (a) Creates this subsection from existing text. Makes a conforming change.
- (b) Requires the comptroller of public accounts (comptroller) by rule to require a taxpayer who paid more than \$10,000 during the preceding fiscal year in a category of payments described by this subsection to transfer payments by means of electronic funds transfer in accordance with Section 404.095 (Electronic Transfer of Certain Payments), Government Code, if the comptroller anticipates the person will pay at least that amount during the current fiscal year. Provides that this subsection applies to certain taxes.
- (c) Authorizes the comptroller by rule to apply the requirements of Subsection (b) to a category of payments not listed in Subsection (b), or remove the requirements of Subsection (b) from a category of payments listed in Subsection (b).
- (d) Requires a rule adopted under Subsection (b) or (c) to provide a waiver from the requirements of that section for a non-complying taxpayer for reasons of hardship, impracticality, or other reason.
- (e) Authorizes the comptroller by rule to specify the types of electronic funds transfers a person must use in compliance with this section. Authorizes the rule to require a taxpayer to use different types of transfers for different payment amounts.

SECTION 2. Amends Section 11.0626(a), Tax Code, to delete existing text requiring the comptroller by rule to require electronic filing of a report required under Chapter 151 (Limited Sales, Excise, and Use Tax), 201 (Gas Production Tax), or 202 (Oil Production Tax), or an international fuel tax agreement, by a taxpayer who is required under Section 111.0625 to transfer payments by an electronic transfer.

SECTION 3. Effective date: January 1, 2008.