

1-1 By: Cook of Navarro, et al. (Senate Sponsor - Eltife) H.B. No. 11  
1-2 (In the Senate - Received from the House April 18, 2007;  
1-3 April 19, 2007, read first time and referred to Committee on  
1-4 Business and Commerce; April 25, 2007, reported favorably by the  
1-5 following vote: Yeas 8, Nays 0; April 25, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the filing of sales reports with the comptroller by  
1-9 wholesalers and distributors of certain alcohol and tobacco  
1-10 products.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended  
1-13 by adding Section 151.433 to read as follows:

1-14 Sec. 151.433. REPORTS BY WHOLESALERS AND DISTRIBUTORS OF  
1-15 BEER, WINE, AND MALT LIQUOR. (a) In this section:

1-16 (1) "Distributor" means a person required to hold a  
1-17 general, local, or branch distributor's license under the Alcoholic  
1-18 Beverage Code.

1-19 (2) "Retailer" means a person required to hold the  
1-20 following:

1-21 (A) a wine and beer retailer's permit under  
1-22 Chapter 25, Alcoholic Beverage Code;

1-23 (B) a wine and beer retailer's off-premise permit  
1-24 under Chapter 26, Alcoholic Beverage Code;

1-25 (C) a retail dealer's on-premise license under  
1-26 Chapter 69, Alcoholic Beverage Code; or

1-27 (D) a retail dealer's off-premise license under  
1-28 Chapter 71, Alcoholic Beverage Code, except for a dealer who also  
1-29 holds a package store permit under Chapter 22, Alcoholic Beverage  
1-30 Code.

1-31 (3) "Wholesaler" means a person required to hold the  
1-32 following under the Alcoholic Beverage Code:

1-33 (A) a wholesaler's permit;

1-34 (B) a general Class B wholesaler's permit; or

1-35 (C) a local Class B wholesaler's permit.

1-36 (b) The comptroller may, when considered necessary by the  
1-37 comptroller for the administration of a tax under this chapter,  
1-38 require each wholesaler or distributor of beer, wine, or malt  
1-39 liquor to file with the comptroller a report each month of sales to  
1-40 retailers in this state.

1-41 (c) The wholesaler or distributor shall file the report on  
1-42 or before the 25th day of each month. The report must contain the  
1-43 following information for the preceding calendar month's sales in  
1-44 relation to each retailer:

1-45 (1) the name of the retailer and the address of the  
1-46 retailer's outlet location to which the wholesaler or distributor  
1-47 delivered beer, wine, or malt liquor, including the city and zip  
1-48 code;

1-49 (2) the taxpayer number assigned by the comptroller to  
1-50 the retailer, if the wholesaler or distributor is in possession of  
1-51 the number;

1-52 (3) the permit or license number assigned to the  
1-53 retailer by the Texas Alcoholic Beverage Commission; and

1-54 (4) the monthly net sales made to the retailer by  
1-55 outlet by the wholesaler or distributor, including the quantity and  
1-56 units of beer, wine, and malt liquor sold to the retailer.

1-57 (d) Except as provided by this subsection, the wholesaler or  
1-58 distributor shall file the report with the comptroller  
1-59 electronically. The comptroller may establish procedures for  
1-60 allowing an alternative method of filing for a wholesaler or  
1-61 distributor who demonstrates to the comptroller an inability to  
1-62 comply with the electronic reporting requirement. If the  
1-63 comptroller determines that another technological method of filing  
1-64 the report is more efficient than electronic filing, the

2-1 comptroller may establish procedures requiring its use by  
 2-2 wholesalers and distributors.

2-3 (e) Except as provided by Section 111.006, information  
 2-4 contained in a report required to be filed by this section is  
 2-5 confidential and not subject to disclosure under Chapter 552,  
 2-6 Government Code.

2-7 (f) If a person fails to file a report required by this  
 2-8 section or fails to file a complete report, the comptroller may  
 2-9 suspend or cancel one or more permits issued to the person under  
 2-10 Section 151.203 and may impose a civil or criminal penalty, or both,  
 2-11 under Section 151.7031 or 151.709.

2-12 (g) If a person fails to file a report required by this  
 2-13 section or fails to file a complete report, the comptroller may  
 2-14 notify the Texas Alcoholic Beverage Commission of the failure and  
 2-15 the commission may take administrative action against the person  
 2-16 for the failure under the Alcoholic Beverage Code.

2-17 SECTION 2. Subchapter F, Chapter 154, Tax Code, is amended  
 2-18 by adding Section 154.212, Tax Code, to read as follows:

2-19 Sec. 154.212. REPORTS BY WHOLESALERS AND DISTRIBUTORS OF  
 2-20 CIGARETTES. (a) The comptroller may, when considered necessary by  
 2-21 the comptroller for the administration of a tax under this chapter,  
 2-22 require each wholesaler or distributor of cigarettes to file with  
 2-23 the comptroller a report each month of sales to retailers in this  
 2-24 state.

2-25 (b) The wholesaler or distributor shall file the report on  
 2-26 or before the 25th day of each month. The report must contain the  
 2-27 following information for the preceding calendar month's sales in  
 2-28 relation to each retailer:

2-29 (1) the name of the retailer and the address of the  
 2-30 retailer's outlet location to which the wholesaler or distributor  
 2-31 delivered cigarettes, including city and zip code;

2-32 (2) the taxpayer number assigned by the comptroller to  
 2-33 the retailer, if the wholesaler or distributor is in possession of  
 2-34 the number;

2-35 (3) the cigarette permit number of the outlet location  
 2-36 to which the wholesaler or distributor delivered cigarettes; and

2-37 (4) the monthly net sales made to the retailer by the  
 2-38 wholesaler or distributor, including the quantity and units of  
 2-39 cigarettes in stamped packages sold to the retailer.

2-40 (c) Except as provided by this subsection, the wholesaler or  
 2-41 distributor shall file the report with the comptroller  
 2-42 electronically. The comptroller may establish procedures for  
 2-43 allowing an alternative method of filing for a wholesaler or  
 2-44 distributor who demonstrates to the comptroller an inability to  
 2-45 comply with the electronic reporting requirement. If the  
 2-46 comptroller determines that another technological method of filing  
 2-47 the report is more efficient than electronic filing, the  
 2-48 comptroller may establish procedures requiring its use by  
 2-49 wholesalers and distributors.

2-50 (d) Except as provided by Section 111.006, information  
 2-51 contained in a report required to be filed by this section is  
 2-52 confidential and not subject to disclosure under Chapter 552,  
 2-53 Government Code.

2-54 SECTION 3. Subchapter D, Chapter 155, Tax Code, is amended  
 2-55 by adding Section 155.105 to read as follows:

2-56 Sec. 155.105. REPORTS BY WHOLESALERS AND DISTRIBUTORS OF  
 2-57 CIGARS AND TOBACCO PRODUCTS. (a) The comptroller may, when  
 2-58 considered necessary by the comptroller for the administration of a  
 2-59 tax under this chapter, require each wholesaler or distributor of  
 2-60 cigars and tobacco products to file with the comptroller a report  
 2-61 each month of sales to retailers in this state.

2-62 (b) The wholesaler or distributor shall file the report on  
 2-63 or before the 25th day of each month. The report must contain the  
 2-64 following information for the preceding calendar month's sales in  
 2-65 relation to each retailer:

2-66 (1) the name of the retailer and the address of the  
 2-67 retailer's outlet location to which the wholesaler or distributor  
 2-68 delivered cigars or tobacco products, including the city and zip  
 2-69 code;

3-1 (2) the taxpayer number assigned by the comptroller to  
3-2 the retailer, if the wholesaler or distributor is in possession of  
3-3 the number;

3-4 (3) the tobacco permit number of the outlet location  
3-5 to which the wholesaler or distributor delivered cigars or tobacco  
3-6 products; and

3-7 (4) the monthly net sales made to the retailer by the  
3-8 wholesaler or distributor, including the quantity and units of  
3-9 cigars and tobacco products sold to the retailer.

3-10 (c) Except as provided by this subsection, the wholesaler or  
3-11 distributor shall file the report with the comptroller  
3-12 electronically. The comptroller may establish procedures for  
3-13 allowing an alternative method of filing for a wholesaler or  
3-14 distributor who demonstrates to the comptroller an inability to  
3-15 comply with the electronic reporting requirement. If the  
3-16 comptroller determines that another technological method of filing  
3-17 the report is more efficient than electronic filing, the  
3-18 comptroller may establish procedures requiring its use by  
3-19 wholesalers and distributors.

3-20 (d) Except as provided by Section 111.006, information  
3-21 contained in a report required to be filed by this section is  
3-22 confidential and not subject to disclosure under Chapter 552,  
3-23 Government Code.

3-24 SECTION 4. This Act takes effect September 1, 2007.

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