

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 11, 2007**

**TO:** Honorable Jim Keffer, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3314** by Keffer, Jim (Relating to administration, collection, and enforcement of state taxes; providing penalties.), **As Introduced**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB3314, As Introduced: a positive impact of \$4,948,000 through the biennium ending August 31, 2009.
--

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$2,474,000
2009	\$2,474,000
2010	\$2,474,000
2011	\$2,474,000
2012	\$2,474,000

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2008	\$2,474,000
2009	\$2,474,000
2010	\$2,474,000
2011	\$2,474,000
2012	\$2,474,000

**Fiscal Analysis**

The bill would amend various provisions of the Tax Code and Property Code relating to the administration, collection and enforcement of state taxes.

The bill would add Section 111.0102 to the Tax Code to specify Travis County district courts as the venue and jurisdiction for any tax suit in connection with collection actions taken by the Comptroller.

The bill would amend Section 111.016 to add a statutory presumption that a taxpayer has actually collected taxes when the taxpayer has filed a return showing tax due and would add situations in which the statute of limitations could be stayed for personal liability actions.

The bill would amend Section 111.017 to impose a criminal penalty (Class A misdemeanor) for interference, trespass, or theft against seized property.

The bill would amend Section 111.021 to impose a penalty in an amount equal to 50 percent of the

amount sought to be frozen or levied and to impose a criminal penalty (Class A misdemeanor) on those entities that did not honor a freeze or levy.

The bill would add Section 111.0511 to prohibit restricted or conditional payments to the Comptroller.

The bill would add Section 111.0611 to make individual officers, managers, and directors of business entities personally liable for fraudulent tax evasion.

The bill would amend Section 111.0625 and add Section 111.0626 to allow the Comptroller to prescribe by rule the category and amount of payments that would require a taxpayer to file tax reports electronically and/or transfer payments by means of electronic funds transfer (EFT).

The bill would amend Section 113.106 by setting a deadline for bringing a suit to determine the validity of a state tax lien and to create a rebuttable presumption regarding the receipt of proper notice of tax liability.

The bill would amend Section 162.004 of the Tax Code to require a motor fuel transportation document when motor fuel originated from other than a terminal rack or bulk plant rack and to clarify that a shipping document is not required for motor fuel transported in the supply tank of a motor vehicle.

The bill would add Section 183.024 to the Tax Code to make an individual, officer, manager, or director of a mixed beverage permittee personally liable for fraudulent tax evasion.

The bill would amend Section 183.053(b) to raise the maximum amount of a mixed beverage tax bond to mirror the current sales tax bonding procedures. Under current law, sales tax bonds are assessed at four times the amount of the monthly tax liability.

The bill would amend Section 52.006 of the Property Code to extend the duration of a judgment lien until the date the judgment was satisfied or the lien was released.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007.

### **Methodology**

The provisions of the bill, with the exception of SECTIONS 7 and 8, would enhance the collection and enforcement of state taxes, clarify current law, or conform to current practice.

With respect to SECTIONS 7 and 8, the annual savings to the General Revenue Fund 0001 would arise from annual gains in interest income attributable to an estimated two-day decrease in cash float, less 25 percent for a waiver for specific reasons. The change to EFT and electronic reporting from paper checks and paper reports would reduce the processing costs by \$1.93 per taxpayer, per pay period. The estimate assumes an effective date of September 1, 2007.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, CT, SD