

By: Ellis

S.B. No. 694

A BILL TO BE ENTITLED

1 AN ACT
2 relating to certain reimbursements and discounts provided for
3 collecting sales and use taxes.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 151.423, Tax Code, is amended to read as
6 follows:

7 Sec. 151.423. REIMBURSEMENT TO TAXPAYER FOR TAX
8 COLLECTIONS. Subject to Section 151.4241, a [A] taxpayer may
9 deduct and withhold one-half of one percent of the amount of taxes
10 due from the taxpayer on a timely return as reimbursement for the
11 cost of collecting the taxes imposed by this chapter. [~~The
12 comptroller shall provide a card with each form distributed for the
13 collection of taxes under this chapter. The card may be inserted by
14 the taxpayer with the tax payment to provide for contribution of all
15 or part of the reimbursement provided by this section for use as
16 grants under Subchapter M, Chapter 56, Education Code. If the
17 taxpayer chooses to contribute the reimbursement for the grants,
18 the taxpayer shall include the amount of the reimbursement
19 contribution with the tax payment. The comptroller shall transfer
20 money contributed under this section for grants under Subchapter M,
21 Chapter 56, Education Code, to the appropriate fund.~~]

22 SECTION 2. Sections 151.424(a) and (c), Tax Code, are
23 amended to read as follows:

24 (a) Subject to Section 151.4241, a [A] taxpayer who prepays

1 the taxpayer's tax liability on the basis of a reasonable estimate
2 of the tax liability for a quarter in which a prepayment is made or
3 for a month in which a prepayment is made may deduct and withhold
4 1.25 percent of the amount of the prepayment in addition to the
5 amount permitted to be deducted and withheld under Section 151.423
6 [~~of this code~~]. A reasonable estimate of the tax liability must be
7 at least 90 percent of the tax ultimately due or the amount of tax
8 paid in the same quarter, or month, if a monthly prepayer, in the
9 last preceding year. Failure to prepay a reasonable estimate of the
10 tax will result in the loss of the entire prepayment discount.

11 (c) A taxpayer who prepays the tax liability as permitted by
12 this section must file a report when due as provided by this
13 chapter. The amount of a prepayment made by a taxpayer under this
14 section shall be credited against the amount of actual tax
15 liability of the taxpayer as shown on the tax report of the
16 taxpayer. If there is a tax liability owed by the taxpayer in
17 excess of the prepayment credit, the taxpayer shall send to the
18 comptroller the remaining tax liability at the time of filing the
19 quarterly or monthly report. Subject to Section 151.4241, the
20 ~~The~~ taxpayer is entitled to the deduction permitted under Section
21 151.423 [~~of this code~~] on the amount of the remaining tax liability.

22 SECTION 3. Subchapter I, Chapter 151, Tax Code, is amended
23 by adding Section 151.4241 to read as follows:

24 Sec. 151.4241. LIMITATION ON AMOUNTS OF REIMBURSEMENTS AND
25 DISCOUNTS. (a) The sum of the amounts deducted and withheld by a
26 taxpayer under Sections 151.423 and 151.424 may not exceed \$10,000
27 each state fiscal year.

1 (b) The comptroller shall adopt rules for determining to
2 which state fiscal year amounts deducted and withheld by a taxpayer
3 under Section 151.424 will be allocated for purposes of this
4 section.

5 SECTION 4. Section 151.801, Tax Code, is amended by
6 amending Subsection (a) and adding Subsection (a-1) to read as
7 follows:

8 (a) Except for the amounts allocated under Subsections
9 (a-1), (b), and (c), all proceeds from the collection of the taxes
10 imposed by this chapter shall be deposited to the credit of the
11 general revenue fund.

12 (a-1) The comptroller shall calculate the difference
13 between the amount of the proceeds from the collection of the taxes
14 imposed by this chapter that, in the absence of the limitation on
15 reimbursements and discounts specified by Section 151.4241,
16 taxpayers would deduct and withhold under Sections 151.423 and
17 151.424, and the amount that taxpayers actually deduct and withhold
18 under those sections after applying the limitation specified by
19 Section 151.4241. The comptroller shall deposit an amount equal to
20 that difference in the following order:

21 (1) an amount each state fiscal year equal to the
22 greatest amount contributed by taxpayers in a single state fiscal
23 year under Section 151.423, Tax Code, as that section existed on
24 January 1, 2009, in the period beginning September 1, 1999, and
25 ending August 31, 2009, for use as grants under Subchapter M,
26 Chapter 56, Education Code, shall be deposited to an account in the
27 general revenue fund and may be appropriated only to provide grants

1 under that subchapter; and

2 (2) the remainder as follows:

3 (A) one-half shall be deposited to the credit of
4 the children's health insurance program account in the general
5 revenue fund and may be appropriated only to the Health and Human
6 Services Commission for the child health plan program authorized by
7 Chapter 62, Health and Safety Code; and

8 (B) one-half shall be deposited to the credit of
9 the medical assistance account in the general revenue fund and may
10 be appropriated only to the Health and Human Services Commission
11 for the medical assistance program authorized by Chapter 32, Human
12 Resources Code.

13 SECTION 5. Section 151.423, Tax Code, as amended by this
14 Act, applies to a tax report due on or after the effective date of
15 this Act. A tax report due before the effective date of this Act is
16 governed by the law in effect on the date the tax report was due, and
17 the former law is continued in effect for that purpose.

18 SECTION 6. Section 151.424, Tax Code, as amended by this
19 Act, applies to a prepayment of tax liability made on or after the
20 effective date of this Act. A prepayment of tax liability made
21 before the effective date of this Act is governed by the law in
22 effect on the date the prepayment was made, and the former law is
23 continued in effect for that purpose.

24 SECTION 7. The change in law made by this Act does not
25 affect tax liability accruing before the effective date of this
26 Act. That liability continues in effect as if this Act had not been
27 enacted, and the former law is continued in effect for the

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1 collection of taxes due and for civil and criminal enforcement of
2 the liability for those taxes.

3 SECTION 8. This Act takes effect September 1, 2009.