

By: Burnam

H.B. No. 353

A BILL TO BE ENTITLED

AN ACT

relating to certain reimbursements and discounts provided for collection and payment of sales and use taxes.

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

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

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

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

(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 amount deducted and withheld by a taxpayer  
26 under Section 151.423 may not exceed \$312.50 each state fiscal  
27 year.

1        (b) The amount deducted and withheld by a taxpayer under  
2 Section 151.424 may not exceed \$3,906.25 each state fiscal year.

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

7        SECTION 4. Section 151.423, Tax Code, as amended by this  
8 Act, applies to a tax report due on or after the effective date of  
9 this Act. A tax report due before the effective date of this Act is  
10 governed by the law in effect on the date the tax report was due, and  
11 the former law is continued in effect for that purpose.

12        SECTION 5. Section 151.424, Tax Code, as amended by this  
13 Act, applies to a prepayment of tax liability made on or after the  
14 effective date of this Act. A prepayment of tax liability made  
15 before the effective date of this Act is governed by the law in  
16 effect on the date the prepayment was made, and the former law is  
17 continued in effect for that purpose.

18        SECTION 6. The change in law made by this Act does not  
19 affect tax liability accruing before the effective date of this  
20 Act. That liability continues in effect as if this Act had not been  
21 enacted, and the former law is continued in effect for the  
22 collection of taxes due and for civil and criminal enforcement of  
23 the liability for those taxes.

24        SECTION 7. This Act takes effect September 1, 2011.