

By: Thompson

H.B. No. 590

Substitute the following for H.B. No. 590:

By: Martinez Fischer

C.S.H.B. No. 590

A BILL TO BE ENTITLED

AN ACT

relating to amended sales tax reports and the reallocation of sales tax revenue.

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

SECTION 1. Subchapter F, Chapter 321, Tax Code, is amended by adding Section 321.510 to read as follows:

Sec. 321.510. REALLOCATION OF MUNICIPAL OR LOCAL GOVERNMENTAL ENTITY TAX REVENUE. (a) In this section, "local governmental entity" includes any governmental entity created by the legislature that has a limited purpose or function, that has a defined or restricted geographic territory, and that is authorized by law to impose a local sales and use tax the imposition, computation, administration, enforcement, and collection of which is governed by this chapter.

(b) This section applies only if:

(1) the comptroller:

(A) reallocates local tax revenue from a municipality or local governmental entity to another municipality or local governmental entity; or

(B) refunds local tax revenue to a municipality or local governmental entity that was previously allocated to another municipality or local governmental entity; and

(2) the amount the comptroller reallocates or refunds is at least equal to the lesser of:

1 (A) \$200,000;

2 (B) an amount equal to 10 percent of the revenue
3 received by the municipality or local governmental entity under
4 this chapter during the calendar year preceding the calendar year
5 in which the reallocation or refund is made; or

6 (C) an amount that increases or decreases the
7 amount of revenue the municipality or local governmental entity
8 receives under this chapter during a calendar month by more than 15
9 percent as compared to revenue received by the municipality or
10 local governmental entity during the same month in any previous
11 year.

12 (c) Subject to the criteria provided by this section, a
13 municipality or local governmental entity may request a review of
14 all available sales tax returns and reports in the comptroller's
15 possession filed by not more than five individual taxpayers doing
16 business in the municipality or local governmental entity that are
17 included and identified by the municipality or local governmental
18 entity from the information received from the comptroller under
19 Section 321.3022 and that relate to a reallocation or refund in an
20 amount described by Subsection (b).

21 (d) The comptroller shall provide the returns and reports
22 requested under Subsection (c) for review regardless of whether the
23 information in the returns or reports is confidential under state
24 law, including Sections 111.006 and 151.027.

25 (e) The provision of confidential information to a
26 municipality or local governmental entity under this section does
27 not affect the confidential nature of the information in the

1 returns or reports. A municipality or local governmental entity
2 shall use the information only in a manner that maintains the
3 confidential nature of the information and may not disclose or
4 release the information to the public.

5 (f) A municipality or local governmental entity must submit
6 the request under Subsection (c) not later than the 90th day after
7 the date the municipality or local governmental entity discovers a
8 reallocation or refund described by Subsection (b).

9 (g) Not earlier than the 30th day or later than the 90th day
10 after the date the comptroller receives a request under Subsection
11 (c), the comptroller shall provide the requested returns and
12 reports to the requesting municipality or local governmental entity
13 for review.

14 (h) The comptroller shall notify each affected taxpayer and
15 affected municipality or local governmental entity of a request
16 under Subsection (c).

17 (i) The comptroller may set and collect from a municipality
18 or local governmental entity a reasonable fee to cover the expense
19 of compiling and providing information under this section.

20 SECTION 2. Section 322.108(a), Tax Code, is amended to read
21 as follows:

22 (a) Except as provided by Subsection (b), the following
23 apply to the taxes imposed by this chapter in the same manner as
24 applicable to a municipality under Chapter 321:

25 (1) Section 321.002(a)(3);

26 (2) Section 321.003;

27 (3) Section 321.203;

- 1 (4) Section 321.205(d);
- 2 (5) Section 321.208;
- 3 (6) Section 321.209;
- 4 (7) Section 321.303;
- 5 (8) Section 321.304; [~~and~~]
- 6 (9) Section 321.305; and
- 7 (10) Section 321.510.

8 SECTION 3. Subchapter F, Chapter 323, Tax Code, is amended
9 by adding Section 323.510 to read as follows:

10 Sec. 323.510. REALLOCATION OF COUNTY OR LOCAL GOVERNMENTAL
11 ENTITY TAX REVENUE. (a) In this section, "local governmental
12 entity" includes any governmental entity created by the legislature
13 that has a limited purpose or function, that has a defined or
14 restricted geographic territory, and that is authorized by law to
15 impose a local sales and use tax the imposition, computation,
16 administration, enforcement, and collection of which is governed by
17 this chapter.

18 (b) This section applies only if:

19 (1) the comptroller:

20 (A) reallocates local tax revenue from a county
21 or local governmental entity to another county or local
22 governmental entity; or

23 (B) refunds local tax revenue to a county or
24 local governmental entity that was previously allocated to another
25 county or local governmental entity; and

26 (2) the amount the comptroller reallocates or refunds
27 is at least equal to the lesser of:

1 (A) \$200,000;

2 (B) an amount equal to 10 percent of the revenue
3 received by the county or local governmental entity under this
4 chapter during the calendar year preceding the calendar year in
5 which the reallocation or refund is made; or

6 (C) an amount that increases or decreases the
7 amount of revenue the county or local governmental entity receives
8 under this chapter during a calendar month by more than 15 percent
9 as compared to revenue received by the county or local governmental
10 entity during the same month in any previous year.

11 (c) Subject to the criteria provided by this section, a
12 county or local governmental entity may request a review of all
13 available sales tax returns and reports in the comptroller's
14 possession filed by not more than five individual taxpayers doing
15 business in the county or local governmental entity that are
16 included and identified by the county or local governmental entity
17 from the information received from the comptroller under Section
18 323.3022 and that relate to a reallocation or refund in an amount
19 described by Subsection (b).

20 (d) The comptroller shall provide the returns and reports
21 requested under Subsection (c) for review regardless of whether the
22 information in the returns or reports is confidential under state
23 law, including Sections 111.006 and 151.027.

24 (e) The provision of confidential information to a county or
25 local governmental entity under this section does not affect the
26 confidential nature of the information in the returns or reports. A
27 county or local governmental entity shall use the information only

1 in a manner that maintains the confidential nature of the
2 information and may not disclose or release the information to the
3 public.

4 (f) A county or local governmental entity must submit the
5 request under Subsection (c) not later than the 90th day after the
6 date the county or local governmental entity discovers a
7 reallocation or refund described by Subsection (b).

8 (g) Not earlier than the 30th day or later than the 90th day
9 after the date the comptroller receives a request under Subsection
10 (c), the comptroller shall provide the requested returns and
11 reports to the requesting county or local governmental entity for
12 review.

13 (h) The comptroller shall notify each affected taxpayer and
14 affected county or local governmental entity of a request under
15 Subsection (c).

16 (i) The comptroller may set and collect from a county or
17 local governmental entity a reasonable fee to cover the expense of
18 compiling and providing information under this section.

19 SECTION 4. This Act takes effect September 1, 2011.