

BILL ANALYSIS

Senate Research Center

H.B. 1662
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Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law restricts the use of the revenue generated from the municipal hotel occupancy tax to certain specified uses, which do not include auditing a hotel to verify accurate and complete tax returns. Interested parties note that as a result, a municipality must first file a lawsuit before it can conduct an audit of a delinquent hotel occupancy taxpayer. H.B. 1662 seeks to address this issue by allowing certain municipalities to use municipal hotel occupancy tax revenue to cover the cost of auditing hotels to verify that accurate and complete tax returns are being filed.

H.B. 1662 amends current law relating to the use of local hotel occupancy tax revenue to conduct an audit.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 351, Tax Code, by adding Section 351.1067, as follows:

Sec. 351.1067. ALLOCATION OF REVENUE; CERTAIN MUNICIPALITIES. (a) Provides that this section applies only to a municipality that has a population of at least 190,000, no part of which is located in a county with a population of at least 150,000.

(b) Authorizes a municipality to which this section applies, notwithstanding any other provision of this chapter, to use revenue from the municipal hotel occupancy tax to conduct an audit of a person in the municipality required to collect the tax authorized by this chapter, provided that the municipality use the revenue to audit not more than one-third of the total number of those persons in any fiscal year.

SECTION 2. Effective date: upon passage or September 1, 2013.