

## **BILL ANALYSIS**

H.B. 1662  
By: Price  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

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.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1662 amends the Tax Code to authorize 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, to use revenue from the municipal hotel occupancy tax to conduct an audit of a person in the municipality required to collect the tax, 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.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.