

By: Thompson of Brazoria

H.B. No. 1162

A BILL TO BE ENTITLED

AN ACT

relating to a sales and use tax exemption for certain disabled veterans and surviving spouses of certain disabled veterans.

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

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.356 to read as follows:

Sec. 151.356. PURCHASES BY CERTAIN DISABLED VETERANS. (a)  
A taxable item sold, leased, or rented to, or stored, used, or  
consumed by, any of the following persons is exempted from the taxes  
imposed by this chapter:

(1) a person who holds a registration number issued  
under this section; or

(2) a member of the household where a person described  
by Subdivision (1) resides, if the purchase, lease, or rental is  
made for the benefit of the person and the household member is  
authorized to make purchases on the person's behalf.

(b) To claim an exemption under Subsection (a), the  
purchaser must state a registration number issued by the  
comptroller under this section on the exemption certificate  
provided by the purchaser of the item.

(c) A person is eligible to apply to the comptroller for and  
receive a registration number if:

(1) the person:

(A) is a resident of this state;

1                   (B) enlisted in any branch of the armed forces of  
2 the United States, including the Texas National Guard, and has been  
3 honorably discharged; and

4                   (C) has been certified by the United States  
5 Department of Veterans Affairs or its successor to be in receipt of  
6 disability compensation at the 100 percent rate as a result of a  
7 permanent disability that:

8                   (i) was sustained through military action  
9 or accident; or

10                   (ii) resulted from disease contracted while  
11 in active service; or

12                   (2) the person is the surviving spouse of a person  
13 described by Subdivision (1), the person described by Subdivision  
14 (1) is deceased, and the surviving spouse is not remarried.

15                   (d) A person who is eligible may apply to the comptroller  
16 for a registration number. The application must:

17                   (1) be on a form prescribed by the comptroller; and

18                   (2) contain any other information required by the  
19 comptroller.

20                   (e) The comptroller shall develop and implement a procedure  
21 by which an applicant may submit an application described by  
22 Subsection (d) electronically.

23                   (f) The comptroller by rule shall establish a uniform date  
24 on which all registration numbers issued under this section must be  
25 renewed, regardless of the date on which a registration number is  
26 initially issued. The rules must require registration numbers to  
27 be renewed every four years.

1       (g) The comptroller may not issue a registration number that  
2 contains an individual's social security number.

3       (h) The comptroller, after written notice and a hearing, may  
4 revoke the registration number issued to a person who fails to  
5 comply with this chapter or with a rule adopted under this chapter,  
6 or who is no longer eligible for a registration number. A person  
7 whose registration number the comptroller proposes to revoke under  
8 this section is entitled to 20 days' written notice of the time and  
9 place of the hearing on the revocation. The notice must state the  
10 reason the comptroller is seeking to revoke the person's  
11 registration number. At the hearing the person must show cause why  
12 the person's registration number should not be revoked.

13       (i) The comptroller shall give written notice of the  
14 revocation of a registration number under Subsection (h) to the  
15 person to whom the number was issued. The notice may be personally  
16 served on the person or sent by mail to the person's address as  
17 shown in the comptroller's records.

18       (j) If the comptroller revokes a person's registration  
19 number under Subsection (h), the comptroller may not revive the  
20 registration number unless the comptroller is satisfied that the  
21 person will comply with this chapter and the rules adopted under  
22 this chapter. The comptroller may prescribe the terms under which a  
23 revoked registration number may be revived.

24       (k) Following the revocation of a registration number by the  
25 comptroller, the person who held the registration number must, on  
26 the next transaction with each seller to whom the person previously  
27 issued a claim for exemption with a registration number, notify

1 that seller that the person's registration number is no longer  
2 valid. The failure of a person to notify a seller as required by  
3 this subsection is considered a failure and refusal to pay the taxes  
4 imposed by this chapter by the person required to make the  
5 notification.

6 (l) The comptroller shall develop and operate an online  
7 system to enable a seller to search and verify the validity of the  
8 registration number stated on an exemption certificate. A seller  
9 is not required to use the online system.

10 (m) An exemption certificate that states a registration  
11 number issued by the comptroller to claim an exemption to which this  
12 section applies is sufficient documentation of the seller's receipt  
13 of the certificate in good faith for purposes of Sections 151.054  
14 and 151.104.

15 (n) The comptroller by rule shall establish procedures by  
16 which a seller may accept a blanket exemption certificate with a  
17 registration number issued by the comptroller to claim exemptions  
18 under this section.

19 (o) A person eligible for a registration number who, at the  
20 time of purchasing, leasing, renting, or otherwise consuming an  
21 item for which the person may otherwise claim an exemption, has not  
22 obtained a registration number from the comptroller must pay the  
23 tax on the item to the seller at the time of the transaction. The  
24 person may then apply for a registration number and, on receipt of  
25 the number, may apply to the comptroller for a refund of the tax  
26 paid, subject to the statute of limitations. The comptroller by  
27 rule shall establish procedures for processing the refund requests.

1 Tax collected by a seller under this subsection is not tax collected  
2 in error, and Section 111.104 does not apply to a refund request  
3 submitted under this subsection.

4 (p) The comptroller may adopt rules to implement this  
5 section.

6 SECTION 2. The change in law made by this Act does not  
7 affect tax liability accruing before the effective date of this  
8 Act. That liability continues in effect as if this Act had not been  
9 enacted, and the former law is continued in effect for the  
10 collection of taxes due and for civil and criminal enforcement of  
11 the liability for those taxes.

12 SECTION 3. This Act takes effect September 1, 2013.