

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**March 22, 2013**

**TO:** Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1660** by Thompson, Senfronia (Relating to the collection and reporting of municipal and other local governmental entity sales and use taxes.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 321 of the Tax Code, regarding the municipal sales and use tax.

The bill would provide a definition for tax delinquency within this chapter. A tax would be delinquent if a person fails to correctly collect and remit to the Comptroller all or part of the tax due to the appropriate municipality or other local governmental entity, or incorrectly reports to the Comptroller the municipality or other local governmental entity in which a sale occurred.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2013.

The bill could increase the number of taxpayers that would be considered delinquent, and could result in an increase in penalties and fines. The number of potential taxpayers found to be delinquent and the amount of fines and penalties is unknown.

In fiscal year 2012 the reallocation of municipal sales and use tax was less than one-tenth of one percent of the total allocations made by the Comptroller. Accordingly, there would be no significant fiscal impact.

The Comptroller indicates they would need to hire two FTEs to establish processes, determine allocation and penalty amounts, and to perform taxpayer education.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD