

## **BILL ANALYSIS**

C.S.H.B. 3039  
By: Darby  
Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Citing a continuing need for greater efficiency in the reporting and collecting of the state sales tax, interested parties contend that current complexities in the area of agricultural sales tax exemptions at times make these collections problematic. In particular, the parties contend that the sales tax exemption for certain structures used in the agriculture industry is an area of continued misunderstanding within the industry itself and the interested public. C.S.H.B. 3039 seeks to address this issue by amending the applicable law.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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**

C.S.H.B. 3039 amends the Government Code to require a metal building, roof, and component retailer that sells, alters, or fabricates metal buildings or roofs or other components used in the construction of metal buildings for agricultural purposes to register with the comptroller of public accounts not later than January 31 of each year using a form prescribed by the comptroller. The bill requires the comptroller to require each retailer to provide the name and address of each agent of the retailer operating in Texas, the location of all distribution offices or other places of business in Texas of the retailer, and any other necessary information the comptroller requires. The bill authorizes the comptroller to charge a fee to cover the cost of the registration and specifies that the registration expires on the first anniversary of the date of issue. The bill subjects a person who fails to register as required by the bill's provisions to a civil penalty in an amount not to exceed \$500.

C.S.H.B. 3039 requires the comptroller to study the compliance during calendar year 2016 of metal building, roof, and component retailers who make taxable sales of those buildings, roofs, and components with the requirements of the Limited Sales, Excise, and Use Tax Act and, as part of the study, to conduct random audits of such registered retailers who do not have a sales tax permit. The bill requires the comptroller to report the findings of the study to the 85th Legislature not later than January 31, 2017, and, if the comptroller determines that registered retailers are not complying with the act, to include in the report recommendations to improve compliance.

## EFFECTIVE DATE

January 1, 2016.

## COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3039 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

### INTRODUCED

SECTION 1. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.022 to read as follows:

Sec. 403.022. METAL BUILDING, ROOF, AND COMPONENT RETAILER REGISTRATION. (a) In this section, "metal building, roof, and component retailer" means a person that sells, alters, or fabricates metal buildings or roofs or other components used in the construction of metal buildings.

(b) A metal building, roof, and component retailer must register with the comptroller using a form prescribed by the comptroller. The comptroller shall require each retailer to provide:

(1) the name and address of each agent of the retailer operating in this state;

(2) the location of all distribution offices or other places of business in this state of the retailer; and

(3) any other necessary information the comptroller requires.

(c) The comptroller may charge a fee to cover the cost of a registration under this section.

(d) A registration expires on the first anniversary of the date of issue.

(e) A person who fails to register as required by this section is subject to a civil penalty in an amount not to exceed \$500.

SECTION 2. The comptroller of public accounts shall study the compliance of metal building, roof, and component retailers who make taxable sales of those buildings, roofs, and components with the requirements of Chapter 151, Tax Code, including the requirements to obtain sales tax permits and collect sales and use taxes under that chapter. As part of this study, the

### HOUSE COMMITTEE SUBSTITUTE

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(b) Not later than January 31 of each year, a metal building, roof, and component retailer must register with the comptroller using a form prescribed by the comptroller. The comptroller shall require each retailer to provide:

(1) the name and address of each agent of the retailer operating in this state;

(2) the location of all distribution offices or other places of business in this state of the retailer; and

(3) any other necessary information the comptroller requires.

(c) The comptroller may charge a fee to cover the cost of a registration under this section.

(d) A registration expires on the first anniversary of the date of issue.

(e) A person who fails to register as required by this section is subject to a civil penalty in an amount not to exceed \$500.

SECTION 2. The comptroller of public accounts shall study the compliance during calendar year 2016 of metal building, roof, and component retailers who make taxable sales of those buildings, roofs, and components with the requirements of Chapter 151, Tax Code, including the requirements to obtain sales tax permits and collect sales and use taxes under that

comptroller shall conduct random audits of registered metal building, roof, and component retailers who do not have a sales tax permit. The comptroller shall report the findings of the study to the 85th Legislature not later than January 31, 2017. If the comptroller determines that registered metal building, roof, and component retailers are not complying with Chapter 151, Tax Code, the comptroller's report shall include recommendations to improve compliance.

SECTION 3. This Act takes effect January 1, 2016.

chapter. As part of this study, the comptroller shall conduct random audits of registered metal building, roof, and component retailers who do not have a sales tax permit. The comptroller shall report the findings of the study to the 85th Legislature not later than January 31, 2017. If the comptroller determines that registered metal building, roof, and component retailers are not complying with Chapter 151, Tax Code, the comptroller's report shall include recommendations to improve compliance.

SECTION 3. Same as introduced version.