

BILL ANALYSIS

C.S.H.B. 3542
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to interested parties, the comptroller of public accounts has determined that electronic visit verification systems, which can help to verify when a health care service is delivered, fall within the definition of data processing and thus are subject to sales and use taxation. The parties suggest that, due to the increasing use of electronic visit verification systems, the cost savings they provide, and the fact that some uses are required by the government, data processing relating to the systems should not be subject to the tax. C.S.H.B. 3542 seeks to address this issue.

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. 3542 amends the Tax Code to exempt from the sales and use tax data processing services that are purchased in connection with an electronic visit verification system that electronically verifies and documents basic information relating to the delivery of health care services provided under the Medicaid program or the child health plan program.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3542 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	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 151.351, Tax Code, is amended.	SECTION 1. Same as introduced version.
SECTION 2. The change in law made by this Act does not affect tax liability accruing	SECTION 2. Same as introduced version.

before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 3. This Act takes effect September 1, 2015.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.