

BILL ANALYSIS

Senate Research Center
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S.B. 670
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The office of the Comptroller of Public Accounts of the State of Texas (comptroller's office) is required by statute to maintain records of state expenditures. To facilitate this requirement, a database of state payees has been maintained that originally resided within the comptroller's office taxpayer system. Due to the different business needs between tax reporting and state expenditures reporting, Comptroller Bob Bullock approved a database to maintain state payee information separate from taxpayer information. The Texas Identification Number System (TINS) was thus created in 1989.

TINS maintains state payee information that includes state employees, governmental entities, and vendors. Each payee is then assigned a Texas Identification Number (TIN) to track state expenditures.

Initially, both the taxpayer and payee systems assigned individuals a TIN that was based on an individual's Social Security number (SSN). State employees are also assigned a TIN based on their SSNs, as SSNs are required for federal tax reporting.

Due to federal and state laws that require SSNs to be confidential, the Texas Identification Number System converted all SSN-based identification numbers in March 2014 to a generic, system-assigned TIN that begins with a '7.'

The language in Section 403.039 (Texas Identification Number System) of the Government Code was first written when payee information was maintained within the taxpayer system. The implementation of TINS separated payee information from the taxpayer system. S.B. 670 proposes removing the language that TINS be based on the "taxpayer identification number system" in order to reflect current practice.

Section 403.039 also excludes employees from being assigned a TIN when in fact the current practice is to assign a TIN to all state employees. This is done to protect the confidentiality of their SSNs in compliance with federal and state laws.

As proposed, S.B. 670 amends current law relating to the Texas Identification Number system.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 403.039(a) and (b), Government Code, as follows:

- (a) Requires the comptroller of public accounts of the State of Texas (comptroller) to assign a Texas Identification Number to each person who supplies property or services to the state for compensation or reimbursement, rather than requires the comptroller to assign a Texas Identification Number, based on the comptroller's taxpayer identification number system, to each person, other than a state employee, who supplies property or services to the state for compensation or reimbursement.

(b) Requires that the Texas Identification Number system be used by each state agency as the primary identification system for persons who supply property or services to the agency for compensation or reimbursement, rather than requires that the Texas Identification Number system be used by each state agency as the primary identification system for persons, other than state employees, who supply property or services to the agency for compensation or reimbursement.

SECTION 2. Effective date: upon passage or September 1, 2015.