

BILL ANALYSIS

C.S.H.B. 1370
By: Springer
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that, as technology has changed and local governments have become more sophisticated in the way they deal with local sales and use tax information, many local entities are now better equipped to use that tax information to better manage the tax dollars entrusted to them by the voters. C.S.H.B. 1370 seeks to increase local access to this information by requiring the comptroller of public accounts to share more information with local governmental entities concerning local sales and use tax collections.

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. 1370 amends the Tax Code to include as information the comptroller of public accounts is required to provide on request to a municipality, county, or other local governmental entity that has adopted a municipal or county sales and use tax, as applicable, information relating to tax payments remitted to the comptroller by each person doing business in the applicable local governmental entity by individual outlet as reported to the comptroller on a sales and use tax return. The bill includes as information the comptroller is required to provide on request to certain special purpose taxing authorities with regard to sales and use tax, information relating to tax payments remitted to the comptroller by each person doing business in the area included in the authority by individual outlet as reported to the comptroller on a sales and use tax return.

C.S.H.B. 1370 includes a local governmental entity with a population less than 150,000 that has adopted a municipal sales and use tax among the entities to which the comptroller is required to provide on request information relating to the amount of municipal sales or use tax paid to the local governmental entity during the preceding or current calendar year by each person doing business in the local governmental entity who annually remits to the comptroller state and local sales tax payments greater than a minimum qualifying amount. The bill reduces that minimum qualifying amount from \$500 to \$100.

C.S.H.B. 1370 repeals provisions requiring the comptroller to provide certain municipal, county, and special purpose taxing authority sales and use tax information in the aggregate and requiring the comptroller to refuse to provide such information involving a maximum of three persons doing business in the defined area who remit sales and use tax unless the comptroller receives

the permission of each person.

C.S.H.B. 1370 repeals the following provisions of the Tax Code:

- Sections 321.3022(c) and (d)
- Sections 322.2022(c) and (d)
- Sections 323.3022(d) and (e)

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1370 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. Sections 321.3022(a-1) and (a-2), Tax Code, are amended to read as follows:

(a-1) Except as otherwise provided by this section, the comptroller on request shall provide to a municipality or other local governmental entity that has adopted a tax under this chapter:

(1) information relating to the amount of tax paid to the municipality or other local governmental entity under this chapter during the preceding or current calendar year by each person doing business in the municipality or other local governmental entity who annually remits to the comptroller state and local sales tax payments of more than \$5,000; ~~and~~

(2) information relating to the gross sales, taxable sales, and taxable purchases by each person doing business in the municipality or other local governmental entity by individual outlet as reported to the comptroller on a sales and use tax return; and

(3) any other information as provided by this section.

(a-2) The comptroller on request shall provide to a municipality or other local governmental entity that has adopted a tax under this chapter and that does not impose an ad valorem tax, or a municipality or other local governmental entity with a population less than 150,000 that has adopted a tax under this chapter, information relating to

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Sections 321.3022(a-1) and (a-2), Tax Code, are amended to read as follows:

(a-1) Except as otherwise provided by this section, the comptroller on request shall provide to a municipality or other local governmental entity that has adopted a tax under this chapter:

(1) information relating to the amount of tax paid to the municipality or other local governmental entity under this chapter during the preceding or current calendar year by each person doing business in the municipality or other local governmental entity who annually remits to the comptroller state and local sales tax payments of more than \$5,000; ~~and~~

(2) information relating to tax payments remitted to the comptroller by each person doing business in the municipality or other local governmental entity by individual outlet as reported to the comptroller on a sales and use tax return; and

(3) any other information as provided by this section.

(a-2) The comptroller on request shall provide to a municipality or other local governmental entity that has adopted a tax under this chapter and that does not impose an ad valorem tax, or a municipality or other local governmental entity with a population less than 150,000 that has adopted a tax under this chapter, information relating to

the amount of tax paid to the municipality or other local governmental entity under this chapter during the preceding or current calendar year by each person doing business in the municipality or other local governmental entity who annually remits to the comptroller state and local sales tax payments of more than \$100 [~~\$500~~].

No equivalent provision.

SECTION 2. Section 323.3022(b), Tax Code, is amended to read as follows:

(b) Except as otherwise provided by this section, the comptroller on request shall provide to a county or other local governmental entity that has adopted a tax under this chapter:

(1) information relating to the amount of tax paid to the county or other local governmental entity under this chapter during the preceding or current calendar year by each person doing business in the county or other local governmental entity who annually remits to the comptroller state and local sales tax payments of more than \$5,000; [~~and~~]

(2) information relating to the gross sales, taxable sales, and taxable purchases by each person doing business in the county or other local governmental entity by individual outlet as reported to the comptroller on a sales and use tax return; and

(3) any other information as provided by this section.

the amount of tax paid to the municipality or other local governmental entity under this chapter during the preceding or current calendar year by each person doing business in the municipality or other local governmental entity who annually remits to the comptroller state and local sales tax payments of more than \$100 [~~\$500~~].

SECTION 2. Section 322.2022(a), Tax Code, is amended to read as follows:

(a) Except as otherwise provided by this section, the comptroller on request shall provide to a taxing entity:

(1) information relating to the amount of tax paid to the entity under this chapter during the preceding or current calendar year by each person doing business in the area included in the entity who annually remits to the comptroller state and local sales tax payments of more than \$5,000; [~~and~~]

(2) information relating to tax payments remitted to the comptroller by each person doing business in the area included in the entity by individual outlet as reported to the comptroller on a sales and use tax return; and

(3) any other information as provided by this section.

SECTION 3. Section 323.3022(b), Tax Code, is amended to read as follows:

(b) Except as otherwise provided by this section, the comptroller on request shall provide to a county or other local governmental entity that has adopted a tax under this chapter:

(1) information relating to the amount of tax paid to the county or other local governmental entity under this chapter during the preceding or current calendar year by each person doing business in the county or other local governmental entity who annually remits to the comptroller state and local sales tax payments of more than \$5,000; [~~and~~]

(2) information relating to tax payments remitted to the comptroller by each person doing business in the county or other local governmental entity by individual outlet as reported to the comptroller on a sales and use tax return; and

(3) any other information as provided by this section.

SECTION 3. The following provisions of the Tax Code are repealed:

(1) Sections 321.3022(c) and (d); and

(2) Sections 323.3022(d) and (e).

SECTION 4. The changes in law made by this Act apply only to a request for information made on or after the effective date of this Act.

SECTION 5. This Act takes effect September 1, 2017.

SECTION 4. The following provisions of the Tax Code are repealed:

(1) Sections 321.3022(c) and (d);

(2) Sections 322.2022(c) and (d); and

(3) Sections 323.3022(d) and (e).

SECTION 5. Same as introduced version.

SECTION 6. Same as introduced version.