

**BILL ANALYSIS**

C.S.H.B. 3232  
By: Darby  
Ways & Means  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

According to interested parties, there is a need for guidance regarding the standards by which the comptroller of public accounts assesses a penalty to be imposed on delinquent oil and gas production taxes in certain circumstances. C.S.H.B. 3232 seeks to provide that guidance.

**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. 3232 amends the Tax Code to exempt a person from the penalty imposed on certain delinquent oil and gas production taxes if the delinquent tax results from the person's filing of an amended producer's or first purchaser's report with the comptroller of public accounts for a timely filed original report; the person timely paid the full amount of tax due as indicated in the original report; the amount of additional tax due as a result of all amended reports for the original report does not exceed 25 percent of the tax due as indicated in the original report; the person resolves all errors identified by the comptroller on the amended or original report that could affect the amount of tax due on that report not later than the 60th day after the date on which the amended or original report, as applicable, is filed; and the person files the amended report not later than the 730th day after the date on which the original report was due and remits the full amount of the additional tax due with the amended report.

**EFFECTIVE DATE**

January 1, 2018.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3232 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 201.351, Tax Code, is	SECTION 1. Section 201.351, Tax Code, is

amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsections (a) and (b), a person is not subject to a penalty under Subsection (a) if:

(1) the delinquent tax results from the person's filing of an amended report with the comptroller for a timely filed original report under Section 201.203 or 201.2035;

(2) the person paid the full amount of tax due as indicated in the original report;

(3) the total amount of additional tax due as a result of the amended report does not exceed 25 percent of the amount of tax due as indicated in the original report; and

(4) the person files the amended report not later than the 730th day after the date on which the original report was due and remits the full amount of the additional tax due with the amended report.

SECTION 2. Section 202.301, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsections (a) and (b), a person is not subject to a penalty under Subsection (a) if:

(1) the delinquent tax results from the person's filing of an amended report with the comptroller for a timely filed original report under Section 202.201 or 202.202;

(2) the person paid the full amount of tax due as indicated in the original report;

(3) the total amount of additional tax due as a result of the amended report does not exceed 25 percent of the amount of tax due as indicated in the original report; and

(4) the person files the amended report not later than the 730th day after the date on which the original report was due and remits the full amount of the additional tax due

amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsections (a) and (b), a person is not subject to a penalty under Subsection (a) if:

(1) the delinquent tax results from the person's filing of an amended report with the comptroller for a timely filed original report under Section 201.203 or 201.2035;

(2) the person timely paid the full amount of tax due as indicated in the original report;

(3) the amount of additional tax due as a result of all amended reports for the original report does not exceed 25 percent of the tax due as indicated in the original report;

(4) the person resolves all errors identified by the comptroller on the amended or original report that could affect the amount of tax due on that report not later than the 60th day after the date on which the amended or original report, as applicable, is filed; and

(5) the person files the amended report not later than the 730th day after the date on which the original report was due and remits the full amount of the additional tax due with the amended report.

SECTION 2. Section 202.301, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsections (a) and (b), a person is not subject to a penalty under Subsection (a) if:

(1) the delinquent tax results from the person's filing of an amended report with the comptroller for a timely filed original report under Section 202.201 or 202.202;

(2) the person timely paid the full amount of tax due as indicated in the original report;

(3) the amount of additional tax due as a result of all amended reports for the original report does not exceed 25 percent of the tax due as indicated in the original report;

(4) the person resolves all errors identified by the comptroller on the amended or original report that could affect the amount of tax due on that report not later than the 60th day after the date on which the amended or original report, as applicable, is filed; and

(5) the person files the amended report not later than the 730th day after the date on which the original report was due and remits the full amount of the additional tax due

with the amended report.

SECTION 3. Sections 201.351(c) and 202.301(c), Tax Code, as added by this Act, apply to delinquent tax owed as a result of an amended report filed with the comptroller on or after the effective date of this Act, regardless of the date on which the original report was due.

SECTION 4. This Act takes effect January 1, 2018.

with the amended report.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.