

By: Springer

H.B. No. 1300

A BILL TO BE ENTITLED

AN ACT

relating to the collection and use of municipal hotel occupancy taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 351.005, Tax Code, is amended to read as follows:

Sec. 351.005. REIMBURSEMENT FOR EXPENSES OF TAX COLLECTION AND USE OF ELECTRONIC TAX ADMINISTRATION SYSTEM. (a) A municipality may permit a person who is required to collect and pay over to the municipality the tax authorized by this chapter to withhold not more than one percent of the amount of the tax collected and required to be reported as reimbursement to the person for the cost of [costs in] collecting the tax [and, if applicable, the use of an electronic tax administration system described by Section 351.1012].

(b) If a municipality uses revenue derived from the tax authorized by this chapter to create, maintain, operate, or administer an electronic tax administration system as authorized by Section 351.1012, the municipality shall permit a person who is required to collect and pay over to the municipality the tax authorized by this chapter to withhold not more than one percent of the amount of the tax collected and required to be reported as reimbursement to the person for the cost of collecting the tax.

(c) The municipality may provide that the reimbursement

1 provided or required by this section be forfeited because of a
2 failure to pay the tax or to file a report as required by the
3 municipality.

4 SECTION 2. Section 351.1012(a), Tax Code, is amended to
5 read as follows:

6 (a) Notwithstanding any other provision of this chapter, a
7 municipality may spend each year not more than the lesser of one
8 percent or \$75,000 of the revenue derived from the tax authorized by
9 this chapter during that year for the creation, maintenance,
10 operation, and administration of an electronic tax administration
11 system. A municipality may not use revenue the municipality is
12 authorized to spend under this subsection to conduct an audit.

13 SECTION 3. The change in law made by this Act does not
14 affect tax liability accruing before the effective date of this
15 Act. That liability continues in effect as if this Act had not been
16 enacted, and the former law is continued in effect for the
17 collection of taxes due and for civil and criminal enforcement of
18 the liability for those taxes.

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