86R3348 GRM-D

By:  Thompson of Brazoria H.B. No. 1192

A BILL TO BE ENTITLED

AN ACT

relating to the amount deducted from certain distributions of local tax revenue as the state's share.

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

SECTION 1.  Section 403.107, Government Code, is reenacted and amended to read as follows:

Sec. 403.107.  LOCAL SALES AND USE TAX FEES. (a) The comptroller shall deposit fees imposed under Section 151.059, Tax Code, in the state treasury and shall keep records of the amount of money collected for each reporting period. Such fees shall be held in trust in the suspense account of each eligible taxing unit. The comptroller shall distribute money in the suspense accounts under this section to each eligible taxing unit in the amount and manner provided by federal law or this section.

(b)  A local taxing unit is eligible to receive funds under this section if it has adopted a sales and use tax under Chapter 321, Chapter 322, or Chapter 323, Tax Code, or has adopted a local sales and use tax governed in part by any provision of those chapters.

(c)  The comptroller shall transmit to each eligible taxing unit's treasurer, or to the officer performing the functions of that office, on a quarterly basis, the taxing unit's share of the fees remitted to the comptroller, together with the pro rata share of any penalty or interest on delinquent fees that may be collected. Before transmitting the funds, the comptroller shall deduct one [~~two~~] percent of the amount allocated to each taxing unit as a charge by the state for its services under this section and deposit that amount into the state treasury to the credit of the comptroller's operating fund. Interest earned on all deposits made in the state treasury under this section shall be credited to the general revenue fund.

(d)  The comptroller shall retain in the suspense account for a taxing unit a portion of the taxing unit's share of the fees collected, not to exceed five percent of the amount remitted to the taxing unit. From the amounts retained in a taxing unit's suspense account, the comptroller may make refunds for overpayments to the account and to redeem dishonored checks and drafts deposited to the credit of the account.

(e)  Unless another method is required by federal law, the comptroller shall compute for each calendar quarter the percentage of total sales and use tax allocations made pursuant to Title 3 of the Tax Code, including any local sales and use taxes governed by any provision of Title 3 of the Tax Code, to each eligible taxing unit and shall apply that percentage to the total fees collected under Section 151.059, Tax Code, and allocated to eligible taxing units in that quarter.

(f)  The comptroller may combine an eligible taxing unit's share of the fees remitted or collected under Section 151.059, Tax Code, a suspense account under this section, or an allocation made under this section with other trust or suspense accounts held for that taxing unit or other allocations made to that taxing unit under Title 3 of the Tax Code.

SECTION 2.  Section 321.503, Tax Code, is amended to read as follows:

Sec. 321.503.  STATE'S SHARE. Before sending any money to a municipality under this subchapter the comptroller shall deduct one [~~two~~] percent of the amount of the taxes collected within the municipality during the period for which a distribution is made as the state's charge for its services under this chapter and shall[~~, subject to premiums payments under Section 321.501(c),~~] credit the money deducted to the general revenue fund.

SECTION 3.  Section 322.303, Tax Code, is amended to read as follows:

Sec. 322.303.  STATE'S SHARE. Before sending any money to a taxing entity under this subchapter, the comptroller shall deduct one [~~two~~] percent of the amount of the taxes collected within the entity area during the period for which a distribution is made as the state's charge for its services under this chapter and shall credit the money deducted to the general revenue fund.

SECTION 4.  Section 323.503, Tax Code, is amended to read as follows:

Sec. 323.503.  STATE'S SHARE. Before sending any money to a county under this subchapter the comptroller shall deduct one [~~two~~] percent of the amount of the taxes collected within the county during the period for which a distribution is made as the state's charge for its services under this chapter and shall[~~, subject to premiums payments under Section 323.501(c),~~] credit the money deducted to the general revenue fund.

SECTION 5.  This Act takes effect September 1, 2019.