

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.

1 Before transmitting the funds, the comptroller shall deduct one
2 [~~two~~] percent of the amount allocated to each taxing unit as a
3 charge by the state for its services under this section and deposit
4 that amount into the state treasury to the credit of the
5 comptroller's operating fund. Interest earned on all deposits made
6 in the state treasury under this section shall be credited to the
7 general revenue fund.

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

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

23 (f) The comptroller may combine an eligible taxing unit's
24 share of the fees remitted or collected under Section [151.059](#), Tax
25 Code, a suspense account under this section, or an allocation made
26 under this section with other trust or suspense accounts held for
27 that taxing unit or other allocations made to that taxing unit under

1 Title 3 of the Tax Code.

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

4 Sec. 321.503. STATE'S SHARE. Before sending any money to a
5 municipality under this subchapter the comptroller shall deduct one
6 [~~two~~] percent of the amount of the taxes collected within the
7 municipality during the period for which a distribution is made as
8 the state's charge for its services under this chapter and shall[~~7~~
9 ~~subject to premiums payments under Section 321.501(c),~~] credit the
10 money deducted to the general revenue fund.

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

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

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

21 Sec. 323.503. STATE'S SHARE. Before sending any money to a
22 county under this subchapter the comptroller shall deduct one [~~two~~]
23 percent of the amount of the taxes collected within the county
24 during the period for which a distribution is made as the state's
25 charge for its services under this chapter and shall[~~7~~ ~~subject to~~
26 ~~premiums payments under Section 323.501(c),~~] credit the money
27 deducted to the general revenue fund.

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