

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 8, 2019

TO: Honorable Dustin Burrows, Chair, House Committee on Ways & Means

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2256 by Sanford (Relating to procedures for tax auditing and determining amounts of overpayments of gas production taxes.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 201, Tax Code, regarding natural gas, to allow the Comptroller to authorize a natural gas production taxpayer to conduct a managed audit in order to determine the taxpayer's tax liability.

The Comptroller could authorize a taxpayer to use selected marketing cost sampling to determine the percentage of gross receipts attributable to marketing costs in a managed audit. A taxpayer would be entitled to a refund or credit of any tax overpayment as a result of a managed audit. Unless the managed audit discloses fraud or willful evasion of tax due, the Comptroller would not be allowed to assess a penalty on any amounts identified as due because of a managed audit and would be authorized to waive any interest that would have accrued on the liability.

The Comptroller indicates the bill would have no fiscal impact on the state.

The bill would take effect September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD