

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 8, 2019

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

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

IN RE: HB2358 by Guillen (Relating to the payment of certain sales and use taxes by a retailer.),
As Engrossed

No fiscal implication to the State is anticipated.

This bill would amend Chapters 111 and 151, Tax Code regarding representations by a retailer that the retailer will pay the sales tax on the sale of a taxable item.

Added Section 111.016 would provide that a retailer who advertises, holds out, or states that the retailer will pay the tax on the sale of a taxable item is presumed to have received or collected the tax, shall hold the tax in trust for the state, and is liable to the state for the tax plus any accrued penalties and interest.

Section 151.074 would be amended to provide that a retailer may directly or indirectly advertise, hold out, or state that the retailer will pay the tax for a customer if the retailer indicates in the representation that the retailer is paying the tax for the customer, the retailer does not indicate or imply that the sale is exempt or excluded from taxation, and any receipt listing the sales price paid or to be paid by the customer separately states the amount of tax and indicates that the tax will be paid by the retailer.

The bill would take effect October 1, 2019.

The Comptroller of Public Accounts indicates that the bill would not alter tax liabilities nor impair tax enforcement procedures and therefore would have no fiscal impact.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK