

BILL ANALYSIS

S.B. 833
By: Campbell
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, only those with a sales and use tax permit may file a refund claim for overpaid sales and use taxes directly with the comptroller of public accounts. Nonpermitted purchasers on the other hand must obtain a refund assignment from their vendors before they can seek a refund from the comptroller. This requirement was intended to limit the refund claim process to commercial taxpayers and discourage large volumes of low-dollar refund claims from being filed with the comptroller, such as refunds on everyday purchases by individuals. Oil and gas producers are registered with the comptroller to report and pay severance tax; however, many producers do not hold a sales and use tax permit because they do not make taxable sales. S.B. 833 seeks to simplify the refund process for these producers.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

ANALYSIS

S.B. 833 amends the Tax Code to authorize a person who files an oil or gas production tax first purchaser's or producer's report and who does not hold a permit under the Limited Sales, Excise, and Use Tax Act to obtain a refund for sales and use taxes paid in error to a permit holder by filing a claim for refund with the comptroller of public accounts within the period specified by provisions establishing the statute of limitations for tax collection. The bill authorizes the comptroller by rule to provide additional procedures for claiming the refund.

EFFECTIVE DATE

September 1, 2021.