

BILL ANALYSIS

Senate Research Center

S.B. 1655
By: Birdwell
Natural Resources & Economic Development
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1655 originated from discussions in the 85th interim hearings and subsequent recommendations in the Senate Natural Resources and Economic Development Committee's Interim Report to the 86th Legislature. Under current law, municipalities that levy a hotel occupancy tax (HOT) are required to submit an annual report to the Office of the Comptroller of Public Accounts of the State of Texas (comptroller) detailing information about the collection of that tax. Concerns about transparency in the collection and use of HOT have been raised. In an effort to continue to increase transparency around the HOT, this proposed legislation would require counties that levy HOT to submit the same annual report as municipalities to the comptroller.

S.B. 1655 would amend Chapter 352, Tax Code, by adding Section 352.009. This new section would require counties that levy HOT to submit information annually to the comptroller detailing: (1) the rate of HOT imposed by the county (three percent, four percent, six percent, etc.); (2) the dollar amount of revenue collected during the preceding fiscal year from HOT imposed by that county; (3) whether or not the county levies a sports and community venue tax; (4) the rate of the sports and community venue tax the county levies; and (5) revenue collected during the preceding fiscal year from the sports and community venue tax imposed by that county. The county would be required to either submit the requested information to the comptroller on a form provided by the comptroller, or provide the comptroller a direct link to, or detailed information describing the location of, the information on the county's Internet website.

By requiring counties to mirror the reporting requirements imposed on municipalities that impose HOT, greater transparency in the collection and use of the tax could be established for state and local taxpayers.

S.B. 1655 amends current law relating to an annual report submitted to the comptroller by a county that imposes certain hotel occupancy taxes.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Comptroller of Public Accounts of the State of Texas in SECTION 1 (Section 352.009, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 352, Tax Code, by adding Section 352.009, as follows:

Sec. 352.009. ANNUAL REPORT TO COMPTROLLER. (a) Requires a county that imposes the tax authorized by Chapter 352 (County Hotel Occupancy Taxes), not later than February 20 of each year, to report to the Comptroller of Public Accounts of the State of Texas (comptroller):

(1) the rate of the tax imposed by the county under Chapter 352, and if applicable, the rate of the tax imposed by the county under Subchapter H (Hotel Occupancy Taxes), Chapter 334 (Sports and Community Venues), Local Government Code; and

(2) the amount of revenue collected during the county's preceding fiscal year from the tax imposed by the county under Chapter 352, and if applicable, from the tax imposed by the county under Subchapter H, Chapter 334, Local Government Code.

(b) Requires the county to make the report required by this section by:

(1) submitting the report to the comptroller on a form prescribed by the comptroller; or

(2) providing the comptroller a direct link to, or a clear statement describing the location of, the information required to be reported that is posted on the Internet website of the county.

(c) Requires the comptroller, subject to Subsection (b)(2), to prescribe the form a county is required to use for the report required to be submitted under this section.

(d) Authorizes the comptroller to adopt rules necessary to administer this section.

SECTION 2. Requires the comptroller, as soon as practicable, but not later than January 1, 2022, to prescribe the form required by Section 352.009(c), Tax Code, as added by this Act.

SECTION 3. Requires a county to submit the initial report or otherwise provide the initial information required by Section 352.009, Tax Code, as added by this Act, not later than February 20, 2022.

SECTION 4. Effective date: upon passage or September 1, 2021.