87R2880 RDS-F

By:  Ashby H.B. No. 1258

A BILL TO BE ENTITLED

AN ACT

relating to data matching with financial institutions to facilitate the collection of certain delinquent tax liabilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Subchapter A, Chapter 111, Tax Code, is amended by adding Section 111.025 to read as follows:

Sec. 111.025.  DELINQUENT TAXPAYER FINANCIAL RECORDS. (a) In this section:

(1)  "Account" means a demand deposit account, checking or negotiable order of withdrawal account, savings account, time deposit account, or money market mutual fund account.

(2)  "Account owner record" means a record a financial institution uses to report account owner information, including:

(A)  an account holder's name, social security number, or federal employer identification number; and

(B)  the account balance and account type.

(3)  "Delinquent taxpayer" means a person who at the time of a data match request under Subsection (b) is delinquent in a tax or fee administered by the comptroller.

(4)  "Financial institution" means:

(A)  a depository institution, as defined by Section 3(c), Federal Deposit Insurance Act (12 U.S.C. Section 1813(c));

(B)  an institution-affiliated party, as defined by Section 3(u), Federal Deposit Insurance Act (12 U.S.C. Section 1813(u));

(C)  a federal credit union or state credit union, as those terms are defined by Section 101, Federal Credit Union Act (12 U.S.C. Section 1752), including an institution-affiliated party of a credit union, as defined by Section 206(r), Federal Credit Union Act (12 U.S.C. Section 1786(r)); or

(D)  the agent of an entity described by Paragraph (A), (B), or (C).

(5)  "Inquiry file" means an electronic file sent by the comptroller or the comptroller's agent to a financial institution that contains a record of delinquent taxpayers.

(b)  A financial institution shall, each calendar quarter, exchange data with the comptroller or the comptroller's agent to facilitate matching the names of delinquent taxpayers with the names of account holders using one of the following methods:

(1)  an all accounts method in which:

(A)  the financial institution submits to the comptroller or the comptroller's agent an electronic file listing all of the financial institution's open accounts and account owner records; and

(B)  the comptroller or the comptroller's agent compares that information with the comptroller's records of delinquent taxpayers; or

(2)  a matched accounts method in which the financial institution submits to the comptroller or the comptroller's agent an electronic file listing all account owner records that match information in an inquiry file.

(c)  The comptroller shall make a data match request under Subsection (b) compatible with the data processing system of the financial institution.

(d)  The comptroller may not request a financial institution to perform a data match under this section more than once each calendar quarter.

(e)  A financial institution may not notify account holders that the comptroller has requested a data match or whether a data match has been made.

(f)  Information provided by or to a financial institution, the comptroller, or the comptroller's agent for the purpose of performing a data match is confidential and may not be used for any purpose or disclosed to any person except as necessary to perform a data match. The financial institution, the comptroller, and the comptroller's agent shall return, destroy, or erase any information obtained after completion of the data match.

(g)  A financial institution is not liable to any person for disclosing information to the comptroller under this section or for any other action that the financial institution takes in good faith to comply with this section.

(h)  The comptroller may contract with a third party to facilitate the implementation of this section. A third-party contractor may use confidential information solely for the purpose of implementing this section.

(i)  A suit to enforce this section must be brought by the attorney general in the name of the state. Venue for the suit is in Travis County.

(j)  The comptroller may adopt rules to implement this section.

SECTION 2.  This Act takes effect September 1, 2021.