

1-1 By: Ashby, Anchia, Thompson of Brazoria H.B. No. 1258
 1-2 (Senate Sponsor - Schwertner)
 1-3 (In the Senate - Received from the House April 19, 2021;
 1-4 May 6, 2021, read first time and referred to Committee on Finance;
 1-5 May 19, 2021, reported favorably by the following vote: Yeas 13,
 1-6 Nays 0; May 19, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17			X	
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			

1-24 A BILL TO BE ENTITLED
 1-25 AN ACT

1-26 relating to data matching with financial institutions to facilitate
 1-27 the collection of certain delinquent tax liabilities.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Subchapter A, Chapter 111, Tax Code, is amended
 1-30 by adding Section 111.025 to read as follows:

1-31 Sec. 111.025. DELINQUENT TAXPAYER FINANCIAL RECORDS. (a)
 1-32 In this section:

1-33 (1) "Account" means a demand deposit account, checking
 1-34 or negotiable order of withdrawal account, savings account, time
 1-35 deposit account, or money market mutual fund account.

1-36 (2) "Account owner record" means a record a financial
 1-37 institution uses to report account owner information, including:

1-38 (A) an account holder's name, social security
 1-39 number, or federal employer identification number; and

1-40 (B) the account balance and account type.

1-41 (3) "Delinquent taxpayer" means a person who at the
 1-42 time of a data match request under Subsection (b) is delinquent in a
 1-43 tax or fee administered by the comptroller.

1-44 (4) "Financial institution" means:

1-45 (A) a depository institution, as defined by
 1-46 Section 3(c), Federal Deposit Insurance Act (12 U.S.C. Section
 1-47 1813(c));

1-48 (B) a federal credit union or state credit union,
 1-49 as those terms are defined by Section 101, Federal Credit Union Act
 1-50 (12 U.S.C. Section 1752); or

1-51 (C) the agent of an entity described by Paragraph
 1-52 (A) or (B).

1-53 (5) "Inquiry file" means an electronic file sent by
 1-54 the comptroller or the comptroller's agent to a financial
 1-55 institution that contains a record of delinquent taxpayers.

1-56 (b) A financial institution shall, each calendar quarter,
 1-57 exchange data with the comptroller or the comptroller's agent to
 1-58 facilitate matching the names of delinquent taxpayers with the
 1-59 names of account holders using one of the following methods:

1-60 (1) an all accounts method in which:

1-61 (A) the financial institution submits to the

2-1 comptroller or the comptroller's agent an electronic file listing
2-2 all of the financial institution's open accounts and account owner
2-3 records; and
2-4 (B) the comptroller or the comptroller's agent
2-5 compares that information with the comptroller's records of
2-6 delinquent taxpayers; or
2-7 (2) a matched accounts method in which the financial
2-8 institution submits to the comptroller or the comptroller's agent
2-9 an electronic file listing all account owner records that match
2-10 information in an inquiry file.
2-11 (c) The comptroller shall make a data match request under
2-12 Subsection (b) compatible with the data processing system of the
2-13 financial institution.
2-14 (d) The comptroller may not request a financial institution
2-15 to perform a data match under this section more than once each
2-16 calendar quarter.
2-17 (e) A financial institution may not notify account holders
2-18 that the comptroller has requested a data match or whether a data
2-19 match has been made.
2-20 (f) Information provided by or to a financial institution,
2-21 the comptroller, or the comptroller's agent for the purpose of
2-22 performing a data match is confidential and may not be used for any
2-23 purpose or disclosed to any person except as necessary to perform a
2-24 data match. The financial institution, the comptroller, and the
2-25 comptroller's agent shall return, destroy, or erase any information
2-26 obtained after completion of the data match.
2-27 (g) A financial institution is not liable to any person for
2-28 disclosing information to the comptroller under this section or for
2-29 any other action that the financial institution takes in good faith
2-30 to comply with this section.
2-31 (h) The comptroller may contract with a third party to
2-32 facilitate the implementation of this section. A third-party
2-33 contractor may use confidential information solely for the purpose
2-34 of implementing this section.
2-35 (i) A suit to enforce this section must be brought by the
2-36 attorney general in the name of the state. Venue for the suit is in
2-37 Travis County.
2-38 (j) The comptroller may adopt rules to implement this
2-39 section.
2-40 SECTION 2. This Act takes effect September 1, 2021.

2-41

* * * * *