

By: Herrero

H.B. No. 4032

A BILL TO BE ENTITLED

AN ACT

relating to the review by local governmental entities of certain sales and use tax audit reports and audit working papers.

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

SECTION 1. Sections 321.510(c), (d), (e), and (g), Tax Code, are amended to read as follows:

(c) Subject to the criteria provided by this section, a municipality or local governmental entity may request a review of all available sales tax returns, ~~and~~ reports, audit reports, and audit working papers in the comptroller's possession filed by not more than five individual taxpayers doing business in the municipality or local governmental entity that are included and identified by the municipality or local governmental entity from the information received from the comptroller under Section 321.3022 and that relate to a reallocation or refund in an amount described by Subsection (b).

(d) The comptroller shall provide the returns, ~~and~~ reports, audit reports, and audit working papers requested under Subsection (c) for review regardless of whether the information [~~in the returns or reports~~] is confidential under state law, including Sections 111.006 and 151.027.

(e) The provision of confidential information to a municipality or local governmental entity under this section does not affect the confidential nature of the information in the

1 returns, ~~[or]~~ reports, audit reports, or audit working papers. A  
2 municipality or local governmental entity shall use the information  
3 only in a manner that maintains the confidential nature of the  
4 information and may not disclose or release the information to the  
5 public.

6 (g) Not earlier than the 30th day or later than the 90th day  
7 after the date the comptroller receives a request under Subsection  
8 (c), the comptroller shall provide the requested returns, ~~[and]~~  
9 reports, audit reports, and audit working papers to the requesting  
10 municipality or local governmental entity for review.

11 SECTION 2. The changes in law made by this Act apply only to  
12 a request under Section [321.510\(f\)](#), Tax Code, submitted on or after  
13 the effective date of this Act. A request submitted before that date  
14 is governed by the law in effect when the request was submitted, and  
15 the former law is continued in effect for that purpose.

16 SECTION 3. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section [39](#), Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2021.