

By: Perry

S.B. No. 296

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the date by which a seller must provide resale and
3 exemption certificates to the comptroller in connection with a
4 sales and use tax audit.

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

6 SECTION 1. Section 151.054, Tax Code, is amended by
7 amending Subsection (e) and adding Subsection (f) to read as
8 follows:

9 (e) Properly completed resale or exemption certificates
10 should be in the possession of the seller at the time the nontaxable
11 transaction occurs. If the seller is not in possession of these
12 certificates within 90 [~~60~~] days from the date written notice
13 requiring possession of them is given to the seller by the
14 comptroller or a later date agreed to by the comptroller and the
15 seller, deductions claimed by the seller that require delivery of
16 the certificates shall be disallowed. [~~If the seller delivers the~~
17 ~~certificates to the comptroller within the 60-day period, the~~
18 ~~comptroller may verify the reason or basis for exemption claimed in~~
19 ~~the certificates before allowing any deductions.~~] A deduction may
20 not be granted on the basis of certificates delivered to the
21 comptroller after the 90-day [~~60-day~~] period or, if applicable, the
22 date agreed to by the comptroller and the seller.

23 (f) Before allowing a deduction, the comptroller may verify
24 the reason or basis for exemption claimed in a resale or exemption

1 certificate delivered to the comptroller during the period provided
2 by Subsection (e).

3 SECTION 2. Section 151.104, Tax Code, is amended by
4 amending Subsection (d) and adding Subsection (e) to read as
5 follows:

6 (d) Properly executed resale or exemption certificates
7 should be in possession of the seller at the time the nontaxable
8 transaction occurs. If the seller is not in possession of these
9 certificates within 90 [~~60~~] days from the date written notice
10 requiring possession of them is given to the seller by the
11 comptroller or a later date agreed to by the comptroller and the
12 seller, deductions claimed by the seller that require delivery of
13 the certificates shall be disallowed. [~~If the seller acquires~~
14 ~~certificates within the 60-day period, the comptroller may verify~~
15 ~~the reason or basis for exemption claimed in the certificates~~
16 ~~before allowing any deductions.] A deduction may not be granted on
17 the basis of certificates obtained after the 90-day [~~60-day~~] period
18 or, if applicable, the date agreed to by the comptroller and the
19 seller.~~

20 (e) Before allowing a deduction, the comptroller may verify
21 the reason or basis for exemption claimed in a resale or exemption
22 certificate acquired by the seller during the period provided by
23 Subsection (d).

24 SECTION 3. Sections 151.054 and 151.104, Tax Code, as
25 amended by this Act, apply to an audit of a seller's sales
26 transactions that is pending on or commenced on or after the
27 effective date of this Act.

1 SECTION 4. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2021.