

AN ACT

relating to the date by which a seller must provide resale and exemption certificates to the comptroller in connection with a sales and use tax audit.

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

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

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

(f) Before allowing a deduction, the comptroller may verify 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.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 296 passed the Senate on April 29, 2021, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 296 passed the House on May 23, 2021, by the following vote: Yeas 146, Nays 0, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor