

1-1 By: Perry S.B. No. 296
 1-2 (In the Senate - Filed January 7, 2021; March 3, 2021, read
 1-3 first time and referred to Committee on Finance; April 21, 2021,
 1-4 reported adversely, with favorable Committee Substitute by the
 1-5 following vote: Yeas 14, Nays 0; April 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Lucio	X			
1-9 Bettencourt	X			
1-10 Buckingham	X			
1-11 Campbell	X			
1-12 Creighton	X			
1-13 Hancock	X			
1-14 Huffman	X			
1-15 Kolthorst	X			
1-16 Nichols	X			
1-17 Perry	X			
1-18 Schwertner	X			
1-19 Taylor	X			
1-20 West	X			
1-21 Whitmire			X	

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 296 By: Perry

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

1-26 relating to the date by which a seller must provide resale and
 1-27 exemption certificates to the comptroller in connection with a
 1-28 sales and use tax audit.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Section 151.054, Tax Code, is amended by
 1-31 amending Subsection (e) and adding Subsection (f) to read as
 1-32 follows:

1-33 (e) Properly completed resale or exemption certificates
 1-34 should be in the possession of the seller at the time the nontaxable
 1-35 transaction occurs. If the seller is not in possession of these
 1-36 certificates within 90 ~~[60]~~ days from the date written notice
 1-37 requiring possession of them is given to the seller by the
 1-38 comptroller or a later date agreed to by the comptroller and the
 1-39 seller, deductions claimed by the seller that require delivery of
 1-40 the certificates shall be disallowed. ~~[If the seller delivers the~~
 1-41 ~~certificates to the comptroller within the 60-day period, the~~
 1-42 ~~comptroller may verify the reason or basis for exemption claimed in~~
 1-43 ~~the certificates before allowing any deductions.]~~ A deduction may
 1-44 not be granted on the basis of certificates delivered to the
 1-45 comptroller after the 90-day ~~[60-day]~~ period or, if applicable, the
 1-46 date agreed to by the comptroller and the seller.

1-47 (f) Before allowing a deduction, the comptroller may verify
 1-48 the reason or basis for exemption claimed in a resale or exemption
 1-49 certificate delivered to the comptroller during the period provided
 1-50 by Subsection (e).

1-51 SECTION 2. Section 151.104, Tax Code, is amended by
 1-52 amending Subsection (d) and adding Subsection (e) to read as
 1-53 follows:

1-54 (d) Properly executed resale or exemption certificates
 1-55 should be in possession of the seller at the time the nontaxable
 1-56 transaction occurs. If the seller is not in possession of these
 1-57 certificates within 90 ~~[60]~~ days from the date written notice
 1-58 requiring possession of them is given to the seller by the
 1-59 comptroller or a later date agreed to by the comptroller and the
 1-60 seller, deductions claimed by the seller that require delivery of

2-1 the certificates shall be disallowed. [~~If the seller acquires~~
2-2 ~~certificates within the 60-day period, the comptroller may verify~~
2-3 ~~the reason or basis for exemption claimed in the certificates~~
2-4 ~~before allowing any deductions.~~] A deduction may not be granted on
2-5 the basis of certificates obtained after the 90-day [~~60-day~~] period
2-6 or, if applicable, the date agreed to by the comptroller and the
2-7 seller.

2-8 (e) Before allowing a deduction, the comptroller may verify
2-9 the reason or basis for exemption claimed in a resale or exemption
2-10 certificate acquired by the seller during the period provided by
2-11 Subsection (d).

2-12 SECTION 3. Sections [151.054](#) and [151.104](#), Tax Code, as
2-13 amended by this Act, apply to an audit of a seller's sales
2-14 transactions that is pending on or commenced on or after the
2-15 effective date of this Act.

2-16 SECTION 4. This Act takes effect immediately if it receives
2-17 a vote of two-thirds of all the members elected to each house, as
2-18 provided by Section [39](#), Article III, Texas Constitution. If this
2-19 Act does not receive the vote necessary for immediate effect, this
2-20 Act takes effect September 1, 2021.

2-21 * * * * *