

BILL ANALYSIS

Senate Research Center

C.S.S.B. 61
By: Zaffirini
Finance
3/13/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

When a person or an entity violates Texas tax law, the comptroller may, after a hearing, suspend or revoke any permit or license issued. If the comptroller determines that a business, for example, has violated Texas tax law, the comptroller has the authority to suspend or to revoke any permits and licenses issued that allowed the company to buy or sell goods, such as alcohol or insurance, or to provide services, such as banking or surveying. Currently, the comptroller uses mail or personal service to provide notice regarding a hearing or a decision to revoke or suspend a person's permit or license due to noncompliance with state tax law. This process is inefficient, expensive, and could be done electronically.

S.B. 61 would permit the comptroller to use electronic communication methods to notify permit and license holders about revocation or suspension hearings if the holder of the permit or license opts-in. This would modernize the comptroller's notification procedures to increase efficiency and to reduce mailing expenses.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 61 amends current law relating to the methods by which the comptroller may provide certain notices relating to the revocation or suspension of a permit or license or the forfeiture of corporate privileges in this state.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 111.0047, Tax Code, by amending Subsection (d) and adding Subsections (e) and (f), as follows:

(d) Authorizes notices under Section 111.0047 (Suspension and Revocation of Permit or License) to be served on the holder of the permit or license personally, mailed to the holder's address as shown in the records of the Comptroller of Public Accounts of the State of Texas (comptroller), or at the election of the holder of the permit or license, served by electronic means. Makes a nonsubstantive change.

(e) Provides that service by electronic means is complete when the comptroller transmits the notice using the contact information provided to the comptroller by the holder of the permit or license as shown in the records of the comptroller.

(f) Provides that service by mail is complete when the notice is deposited by the comptroller in a United States Postal Service post office.

SECTION 2. Amends Section 151.203, Tax Code, by amending Subsection (d) and adding Subsections (e) and (f), as follows:

(d) Authorizes notices under Section 151.203 (Suspension and Revocation of Permit) to be served on the permit holder personally, mailed to the permittee's address as shown in the records of the comptroller, or at the election of the holder of the permit, served by electronic means. Makes a nonsubstantive change.

(e) Provides that service by electronic means is complete when the comptroller transmits the notice using the contact information provided to the comptroller by the permit holder as shown in the records of the comptroller.

(f) Provides that service by mail is complete when the notice is deposited by the comptroller in a United States Postal Service post office.

SECTION 3. Amends Section 171.251, Tax Code, as follows:

Sec. 171.251. FORFEITURE OF CORPORATE PRIVILEGES. Requires the comptroller to forfeit the corporate privileges of a corporation on which the franchise tax is imposed if the corporation:

(1) does not file, in accordance with Chapter 171 (Franchise Tax) within 45 days after the date notice of forfeiture is mailed or at the election of the corporation, provided by electronic means, a report required by this chapter;

(2) does not pay, within 45 days after the date notice of forfeiture is mailed or at the election of the corporation, provided by electronic means, a tax imposed by this chapter or does not pay, within those 45 days, a penalty imposed by this chapter relating to that tax; or

(3) does not permit the comptroller to examine under Section 171.211 (Examination of Records) the corporation's records. Makes a nonsubstantive change.

SECTION 4. Amends Sections 171.256(c) and (d), Tax Code, as follows:

(c) Requires the comptroller to mail the notice or at the election of the corporation, send the notice by electronic means, to the corporation at least 45 days before the forfeiture of corporate privileges. Requires that the notices be:

(1) addressed to the corporation and mailed to the address named in the corporation's charter as its principal place of business or to another known place of business of the corporation if the notice is mailed to the corporation; or

(2) sent to the corporation by electronic means using the contact information provided to the comptroller by the corporation as shown in the records of the comptroller if the notice is sent to the corporation by electronic means.

(d) Requires the comptroller to keep at the comptroller's office a record of the date on which the notice is mailed or sent by electronic means. Provides that the notice and the record of the date the notice was mailed or sent by electronic means, rather than the record of the mailing date, constitute legal and sufficient notice of the forfeiture for the purposes of this chapter.

SECTION 5. Effective date: September 1, 2023.