

By: Murr

H.B. No. 1689

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the use of county hotel occupancy tax revenue for an  
3 electronic tax administration system and the reimbursement of tax  
4 collection expenses.

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

6 SECTION 1. Section 352.005, Tax Code, is amended to read as  
7 follows:

8 Sec. 352.005. REIMBURSEMENT FOR EXPENSES OF TAX COLLECTION  
9 AND USE OF ELECTRONIC TAX ADMINISTRATION SYSTEM [~~EXPENSES~~]. (a) A  
10 county may permit a person who is required to collect and pay over  
11 to the county the tax authorized by this chapter to withhold not  
12 more than one percent of the amount collected and required to be  
13 reported as reimbursement to the person for the cost of [~~costs in~~]  
14 collecting the tax.

15 (b) If a county uses revenue derived from the tax authorized  
16 by this chapter to create, maintain, operate, or administer an  
17 electronic tax administration system as authorized by Section  
18 352.1016, the county shall permit a person who is required to  
19 collect and pay over to the county the tax authorized by this  
20 chapter to withhold not more than one percent of the amount of the  
21 tax collected and required to be reported as reimbursement to the  
22 person for the cost of collecting the tax.

23 (c) The county may provide that the reimbursement provided  
24 or required by this section be forfeited because of a failure to pay

1 the tax authorized by this chapter or to file a report related to  
2 that tax as required by the county.

3 SECTION 2. Subchapter B, Chapter 352, Tax Code, is amended  
4 by adding Section 352.1016 to read as follows:

5 Sec. 352.1016. ELECTRONIC TAX ADMINISTRATION SYSTEM. (a)  
6 Notwithstanding any other provision of this chapter, a county may  
7 spend each year not more than the lesser of one percent or \$75,000  
8 of the revenue derived from the tax authorized by this chapter  
9 during that year for the creation, maintenance, operation, and  
10 administration of an electronic tax administration system to  
11 administer the tax authorized by this chapter. A county may not use  
12 revenue the county is authorized to spend under this section to  
13 conduct an audit.

14 (b) A county may contract with a third party to assist in the  
15 creation, maintenance, operation, or administration of an  
16 electronic tax administration system.

17 SECTION 3. This Act takes effect immediately if it receives  
18 a vote of two-thirds of all the members elected to each house, as  
19 provided by Section 39, Article III, Texas Constitution. If this  
20 Act does not receive the vote necessary for immediate effect, this  
21 Act takes effect September 1, 2023.