

1-1 By: Murr (Senate Sponsor - Flores) H.B. No. 1689
 1-2 (In the Senate - Received from the House April 27, 2023;
 1-3 May 1, 2023, read first time and referred to Committee on Natural
 1-4 Resources & Economic Development; May 12, 2023, reported favorably
 1-5 by the following vote: Yeas 7, Nays 0; May 12, 2023, sent to
 1-6 printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16			X	
1-17	X			

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to the use of county hotel occupancy tax revenue for an
 1-21 electronic tax administration system and the reimbursement of tax
 1-22 collection expenses.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 352.005, Tax Code, is amended to read as
 1-25 follows:

1-26 Sec. 352.005. REIMBURSEMENT FOR EXPENSES OF TAX COLLECTION
 1-27 AND USE OF ELECTRONIC TAX ADMINISTRATION SYSTEM [~~EXPENSES~~]. (a) A
 1-28 county may permit a person who is required to collect and pay over
 1-29 to the county the tax authorized by this chapter to withhold not
 1-30 more than one percent of the amount collected and required to be
 1-31 reported as reimbursement to the person for the cost of [~~costs in~~]
 1-32 collecting the tax.

1-33 (b) If a county uses revenue derived from the tax authorized
 1-34 by this chapter to create, maintain, operate, or administer an
 1-35 electronic tax administration system as authorized by Section
 1-36 352.1016, the county shall permit a person who is required to
 1-37 collect and pay over to the county the tax authorized by this
 1-38 chapter to withhold not more than one percent of the amount of the
 1-39 tax collected and required to be reported as reimbursement to the
 1-40 person for the cost of collecting the tax.

1-41 (c) The county may provide that the reimbursement provided
 1-42 or required by this section be forfeited because of a failure to pay
 1-43 the tax authorized by this chapter or to file a report related to
 1-44 that tax as required by the county.

1-45 SECTION 2. Subchapter B, Chapter 352, Tax Code, is amended
 1-46 by adding Section 352.1016 to read as follows:

1-47 Sec. 352.1016. ELECTRONIC TAX ADMINISTRATION SYSTEM. (a)
 1-48 Notwithstanding any other provision of this chapter, a county may
 1-49 spend each year not more than the lesser of two percent or \$75,000
 1-50 of the revenue derived from the tax authorized by this chapter
 1-51 during that year for the creation, maintenance, operation, and
 1-52 administration of an electronic tax administration system to
 1-53 administer the tax authorized by this chapter. A county may not use
 1-54 revenue the county is authorized to spend under this section to
 1-55 conduct an audit.

1-56 (b) A county may contract with a third party to assist in the
 1-57 creation, maintenance, operation, or administration of an
 1-58 electronic tax administration system.

1-59 SECTION 3. This Act takes effect immediately if it receives
 1-60 a vote of two-thirds of all the members elected to each house, as
 1-61 provided by Section 39, Article III, Texas Constitution. If this

2-1 Act does not receive the vote necessary for immediate effect, this
2-2 Act takes effect September 1, 2023.

2-3

* * * * *