

By: Slawson

H.B. No. 2292

A BILL TO BE ENTITLED

AN ACT

relating to certain reimbursements and discounts allowed for the collection and payment of sales and use taxes.

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

SECTION 1. Section 151.423, Tax Code, is amended to read as follows:

Sec. 151.423. REIMBURSEMENT TO TAXPAYER FOR TAX COLLECTIONS. (a) In this section:

(1) "Credit card" means a card or equivalent device used to make purchases based on the cardholder's promise to pay the issuer of the card for the amount of the purchase and any associated interest and fees.

(2) "Credit card sale" means a sale of a taxable item paid for by the purchaser using a credit card.

(b) As reimbursement for the cost of collecting the taxes imposed by this chapter, a [A] taxpayer may on a timely return deduct and withhold:

(1) one-half of one percent of the amount of taxes due from the taxpayer, other than taxes imposed on credit card sales; and

(2) 2.5 percent of the amount of taxes imposed on credit card sales due from the taxpayer ~~[on a timely return as reimbursement for the cost of collecting the taxes imposed by this chapter].~~

(c) The comptroller shall provide a card with each form distributed for the collection of taxes under this chapter. The card may be inserted by the taxpayer with the tax payment to provide for contribution of all or part of the reimbursement provided by this section for use as grants under Subchapter M, Chapter 56, Education Code. If the taxpayer chooses to contribute the reimbursement for the grants, the taxpayer shall include the amount of the reimbursement contribution with the tax payment. The comptroller shall transfer money contributed under this section for grants under Subchapter M, Chapter 56, Education Code, to the appropriate fund.

SECTION 2. Section 151.424, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A taxpayer who prepays the taxpayer's tax liability of taxes described by Section 151.423(b)(1) on the basis of a reasonable estimate of the tax liability for a quarter in which a prepayment is made or for a month in which a prepayment is made may deduct and withhold 1.25 percent of the amount of the prepayment in addition to the amount permitted to be deducted and withheld under that section [~~Section 151.423 of this code~~]. A reasonable estimate of the tax liability must be at least 90 percent of that [~~the~~] tax ultimately due or the amount of that tax paid in the same quarter, or month, if a monthly prepayer, in the last preceding year. Failure to prepay a reasonable estimate of the tax will result in the loss of the entire prepayment discount.

(a-1) A taxpayer may not deduct or withhold any amount under

1 this section of a prepayment of the taxpayer's tax liability for  
2 taxes described by Section 151.423(b)(2).

3       SECTION 3. Section 151.423, Tax Code, as amended by this  
4 Act, applies to a tax report due on or after the effective date of  
5 this Act. A tax report due before the effective date of this Act is  
6 governed by the law in effect on the date the tax report was due, and  
7 the former law is continued in effect for that purpose.

8       SECTION 4. Section 151.424, Tax Code, as amended by this  
9 Act, applies to a prepayment of tax liability made on or after the  
10 effective date of this Act. A prepayment of tax liability made  
11 before the effective date of this Act is governed by the law in  
12 effect on the date the prepayment was made, and the former law is  
13 continued in effect for that purpose.

14       SECTION 5. This Act takes effect October 1, 2023.