

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**April 6, 2023**

**TO:** Honorable Joan Huffman, Chair, Senate Committee on Finance

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB952** by Perry (relating to certain tax and fee collection procedures and taxpayer suits.),  
**Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapters 111 and 112, Tax Code regarding certain suits by taxpayers and documentation requirements for substantiation of claims.

Sections 111.0041(c), 112.052(d), 112.151(f), and 112.202 would be amended to substitute the adjective 'sufficient' for 'contemporaneous' for description of records and supporting documentation appropriate to substantiate and enable verification of a taxpayer's claim.

Added Section 111.0091 would provide procedures for notice of intent to bypass redetermination and bring suit to dispute results of a managed audit, and added Section 112.1511 would provide procedures for suit to dispute results of a managed audit.

Section 112.201 would be amended to provide that during pendency of a suit, as an alternative to assertion of tax liens a taxpayer may be required to provide in relation to a disputed amount sufficient security in the form of cash deposit, surety bond, letter of credit, or other form of guarantee.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2023, and would apply to a managed audit that is in progress and an administrative or judicial proceeding that is pending or filed on or after the effective date of the bill.

The bill would affect procedures regarding disposition of taxpayers' claims or disputes but would not alter tax base, rate, exemption policy or other factors determining tax liabilities and accordingly would not have fiscal implications. According to the Comptroller, the bill would have no fiscal impact for the state or units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, KK, SD