

- SUBJECT:** Transferring administration of occupation taxes to tax assessor-collectors
- COMMITTEE:** Local Government Ways and Means — favorable, without amendment
- VOTE:** 5 ayes — Hill, Hamilton, Laubenberg, Puente, Quintanilla
0 nays
2 absent — Elkins, Uresti
- WITNESSES:** For — Luanne Caraway, Tax Assessor-Collector Association of Texas
Against — None
- BACKGROUND:** Local Government Code sec. 112.035 requires county tax assessor-collectors to collect all occupation taxes owed to a county. The assessor-collector must give the person paying the occupation tax a receipt. The person presents this receipt in the name of the state and/or the county to the county clerk in exchange for a license authorizing the person to engage in the occupation.
- The county clerk must keep an occupation tax account and charge the assessor-collector with each license issued for the county. The clerk credits the assessor-collector with the assessor-collector's commissions and with the amount that the assessor collector pays into the county treasury after filing with the clerk a receipt from the county treasurer.
- The county clerk is required to file two reports. The first, which relates to the licenses issued on taxes paid to the state, is sent to the Comptroller's Office. The second, which relates to licenses issued on taxes paid to the county, is filed in the clerk's office.
- DIGEST:** HB 1471 would require a county tax assessor-collector, rather than the county clerk, to issue a license to a person upon payment of the occupation tax. The assessor-collector would pay into the county treasury the amount of the tax collected for the county. The assessor-collector, rather than the county clerk, would keep the occupation tax account, file a report with the comptroller on licenses issued on taxes paid to the state, and file a report with a county officer designated by the commissioners court on licenses

issued on taxes paid to the county. The assessor-collector could e-mail the state tax report to the comptroller, with the comptroller's consent.

The bill would take effect September 1, 2005.

**SUPPORTERS
SAY:**

By streamlining the administration process for the occupation tax, HB 1471 would improve efficiency in the operation of the this tax for taxpayers and counties. Currently, a county clerk must issue an occupation tax license, maintain an occupation tax account, and provide two reports about the occupation tax, even though it is the assessor-collector who collects occupation taxes. An assessor-collector must issue a receipt to an occupation tax payer, and the taxpayer must present this receipt to the county clerk before obtaining the license. By eliminating a redundant intermediate step and allowing the assessor-collector to issue the license directly, HB 1471 would reform this duplicative and inefficient process, saving taxpayer time and reducing cost to local governing units.

County clerks have virtually no involvement in the administration of all other county taxes, and it is important that laws governing these officials reflect this reality. Assessor-collectors would be better suited to issue licenses and administer the finances relating to the tax.

It would be well within the capacity of an assessor-collector to issue licenses under this bill, since assessor-collectors already issue receipts to taxpayers. Few counties collect occupation taxes, so implementation and reporting costs under this bill would be very modest.

**OPPONENTS
SAY:**

No apparent opposition.