

BILL ANALYSIS

Senate Research Center
80R8186 CBH-F

C.S.S.B. 377
By: Janek
Finance
4/27/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, taxpayers who pay lesser amounts in taxes are authorized to remit taxes manually. A more streamlined method is needed for more efficient tax collections for those taxpayers.

C.S.S.B. 377 provides increased flexibility by allowing electronic funds transfer of payments to the comptroller of public accounts (comptroller) and electronic filing of returns with the comptroller.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 (Section 111.0625, Tax Code) and SECTION 2 (Section 111.0626, Tax Code) of this bill.

Rulemaking authority previously granted to the comptroller of public accounts is modified in SECTION 1 (Section 111.0625, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 111.0625, Tax Code, as follows:

- (a) Creates this subsection from existing text. Creates an exception as provided by Subsection (b) and (c) to the requirement that a taxpayer who paid \$100,000 or more during a certain time period is required to remit such tax payment by a certain method.
- (b) Requires the comptroller of public accounts (comptroller) by rule to require a taxpayer who paid \$10,000 or more during the preceding fiscal year in a category of payments described by this subsection to transfer payments by means of electronic funds transfer in accordance with Section 404.095 (Electronic Transfer of Certain Payments), Government Code, if the comptroller anticipates the person will pay at least that amount during the current fiscal year. Provides that this subsection applies only to certain taxes set forth in this subsection.
- (c) Authorizes the comptroller by rule to apply the requirements of Subsection (b) to a category of payments not listed in Subsection (b), or remove the requirements of Subsection (b) from a category of payments listed in Subsection (b) if the comptroller determines the the action is necessary to protect the state's interests or the interests of taxpayers.
- (d) Requires a rule adopted under Subsection (b) or (c) to provide a waiver from the requirements of that section for a non-complying taxpayer for reasons of hardship, impracticality, or other reason.
- (e) Authorizes the comptroller by rule to specify the types of electronic funds transfers a person must use in compliance with this section. Authorizes the rule to require a taxpayer to use different types of transfers for different payment amounts.

SECTION 2. Amends Section 111.0626, Tax Code, by adding Subsection (b-1) to authorize the comptroller to adopt rules requiring electronic filing of a report by a taxpayer for any tax without regard to the amount of the tax due.

SECTION 3. Effective date: upon passage or September 1, 2007.