

- SUBJECT:** Electronic payment of state taxes and electronic filing of related reports
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 6 ayes — Keffer, Ritter, Otto, Y. Davis, Paxton, Pitts
0 nays
3 absent — Bonnen, Flores, Peña
- WITNESSES:** For — None
Against — None
On — Irma Martinez, Comptroller of Public Accounts
- BACKGROUND:** In 2001, the 77th Legislature enacted SB 640 by Duncan to require, in Tax Code, sec. 111.0625, a taxpayer who paid \$100,000 or more during the preceding fiscal year in state taxes to make payments by electronic funds transfer in accordance with Government Code, sec. 404.095, if the comptroller reasonably anticipates that the person will pay at least that amount during the current fiscal year. Sec. 111.0626 directs the comptroller, by rule, to require electronic filing of certain reports required under the Tax Code, or an international fuel tax agreement, for a taxpayer who also is required to transfer payments electronically.
- DIGEST:** CSHB 1015 would amend secs. 111.0625 and 111.0626 to expand the requirements for paying state taxes and filing certain reports electronically with the comptroller. The comptroller, by rule, would require a taxpayer who paid \$10,000 or more during the preceding fiscal year in specified categories to make payments by electronic funds transfer in accordance with Government Code, sec. 404.095 if the comptroller reasonably anticipated that person would pay at least that amount during the current fiscal year. The bill would apply to the following categories of taxes:
- state and local sales-and-use taxes;
 - direct payment sales taxes;
 - gas severance taxes;

- oil severance taxes;
- franchise taxes;
- gasoline taxes;
- diesel fuel taxes;
- hotel occupancy taxes;
- insurance premium taxes;
- mixed beverage gross receipts taxes;
- motor vehicle rental taxes; and
- telecommunications infrastructure fund assessments.

If the comptroller determined that the action was necessary to protect the state's interest or the interests of taxpayers, the comptroller, by rule, could:

- apply the above requirements to another category of payments; or
- remove the requirements for a category of payments listed above.

The comptroller, by rule, could specify the types of electronic funds transfers a person would have to use in order to comply. The rule could require a taxpayer to use different types of transfers for different payment amounts. The bill would specify that a rule adopted in relation to these provisions would have to provide for a waiver from the requirements for a taxpayer who could not comply because of hardship, impracticality, or other reason.

CSHB 1015 also would allow 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.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

NOTES:

The companion bill, SB 377 by Jane k, passed the Senate by 31-0 on May 3 and has been referred to the House Ways and Means Committee.