

SUBJECT: Informing a tax permit applicant of possible business license requirements

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — Oliveira, Otto, Bohac, Hartnett, Hilderbran, C. Howard,
P. King, Paxton, Taylor, Villarreal

0 nays

1 absent — Peña

WITNESSES: For — (*Registered, but did not testify*: Brian Gordon, Muniservices, LLC)

Against — None

BACKGROUND: The comptroller requires businesses that operate in Texas to apply for certain permits or licenses in order to facilitate the timely payment of taxes. Currently, the comptroller is not required to warn these businesses that state or local governments might require that additional steps be taken before business may be conducted.

DIGEST: HB 422 would amend Tax Code, sec. 111.00457 to require a prominent warning on the last page of an application for a permit or license administered by the comptroller. The warning would have to inform applicants that they may be required to obtain an additional permit or license from the state of Texas or from a local government entity in order to conduct business in Texas. The warning also would have to refer applicants to a state website that would list links relating to the acquisition of licenses, permits, and registrations from the state of Texas. The warning also would direct applicants to check with the city and the county where the business will be located to determine any local or governmental requirements. The comptroller would update the application as necessary to reflect changes in the website's address.

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, 2009. The comptroller would have 60 days after the effective date to modify application forms for permits or licenses.