

SUBJECT: Conforming mixed beverage sales tax deadlines and confidentiality

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 9 ayes — Burrows, Guillen, Bohac, Martinez Fischer, Murphy, Noble, E. Rodriguez, Shaheen, Wray

0 nays

2 absent — Cole, Sanford

WITNESSES: For — (*Registered, but did not testify*: John Kroll, HMWK; John Ames, Tax Assessor Collector Association of Texas)

Against — None

On — (*Registered, but did not testify*: Karey Barton, Comptroller of Public Accounts)

BACKGROUND: Tax Code sec. 183.043 provides that mixed beverage sales tax is to be administered, collected, and enforced in the same manner as sales and use tax under Tax Code ch. 151.

Tax Code ch. 183, subch. B requires permittees to submit a tax return for mixed beverage gross receipts tax and any tax due for the preceding month to the comptroller by the 20th day of each month. This return includes a statement of the total gross taxable receipts during the preceding month and any other information required by the comptroller. Tax due for any business day that falls in two different months is allocated to the month in which the business day began.

Concerns have been raised that, although mixed beverage sales tax and mixed beverage gross receipts tax have the same tax base and involve the same permittees, they have different reporting dates and payment dates. In addition, while a permittee's information contained in or derived from a mixed beverage sales tax return is confidential, this information can be

derived from the permittee's mixed beverage gross receipts tax return, which is available to the public. Some suggest these differences have created confusion among mixed beverage gross receipts tax and mixed beverage sales tax permittees.

DIGEST: CSHB 3006 would conform the deadlines, reporting periods, and confidentiality requirements of mixed beverage sales tax to match those of mixed beverage gross receipts tax.

The bill would require a permittee to file a return for mixed beverage sales tax with the comptroller by the 20th day of each month. Any tax due for the preceding month would accompany the return and be payable to the state.

The return would be in a form prescribed by the comptroller and would have to include a statement of the total sales and total taxable sales during the preceding month along with any other information required by the comptroller. Tax due for a business day that fell in two different months would be allocated to the month in which the business day began.

The bill also would provide that information contained in or derived from a return for mixed beverage sales tax no longer would be confidential. To the extent of any conflict between a provision under the mixed beverage sales tax and the reports, payments, and methods of reporting sales and use tax, the provision under the mixed beverage sale tax would prevail.

This bill would take effect October 1, 2019.