

SUBJECT: Entitling certain filers of oil or gas production tax reports to refunds

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 11 ayes — Meyer, Thierry, Button, Cole, Guerra, Martinez Fischer,
Murphy, Noble, Rodriguez, Sanford, Shine

0 nays

WITNESSES: For — Andrew Schoenfeld, Ryan LLC; (*Registered, but did not testify*:
Michael Lozano, Permian Basin Petroleum Association; Ryan Paylor,
Texas Independent Producers and Royalty Owners Association)

Against — None

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

BACKGROUND: Some have suggested that the refund process for oil and gas producers
who overpaid sales and use taxes but do not hold a sales and use tax
permit should be simplified.

DIGEST: HB 1346 would entitle a person who filed an oil or gas production tax first
purchaser's report or producer's report and who did not hold a permit
under the Limited Sales, Excise, and Use Tax Act to obtain a refund for
taxes paid in error to a permit holder by filing a claim for refund with the
comptroller within the statute of limitations for tax collection.

The comptroller by rule could provide additional procedures for claiming
a refund under the bill's provisions.

The bill would take effect September 1, 2021, and would not affect tax
liability accruing before that date.