

## **BILL ANALYSIS**

Senate Research Center

S.B. 461  
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State Affairs  
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As Filed

### **DIGEST**

Currently, the Office of Comptroller of Public Accounts, as the state's primary tax collector, operates an extensive and modern tax enforcement system. Included in that system are 17 field offices in Texas and offices in New York, Los Angeles, Chicago, and Tulsa. The Comptroller's Office also maintains 34 enforcement field offices in the state, including seven taxpayer offices. In addition to its field staff, the Comptroller's Office uses sophisticated technology and statistical techniques such as sampling and regression analysis to help auditors recover tax revenue legally due to the state.

Although the Enforcement and Audit Divisions produce significant revenue, the state's increasingly diversified and complex economy necessitates efficient levels of technology and database audit techniques. Advanced database and neural-network technologies have been efficient in both the public and private sectors in areas ranging from credit card fraud to national defense. The goal of S.B. 461 is to supplement existing audit and enforcement techniques within state government with more efficient technology.

### **PURPOSE**

As proposed, S.B. 461 outlines provisions regarding the comptroller's authority to contract for certain tax collection services.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 111A, Tax Code, by adding Sections 111.0035 and 111.0036, as follows:

Sec. 111.0035. ADVANCED DATABASE SYSTEM. Authorizes the comptroller to contract with a vendor to develop and implement a database system to enhance tax collections. Requires a contract made under this section to provide that the vendor developing and implementing the system receive compensation through a contingency fee determined from a percentage of the revenue deposited into the state treasury from audit and enforcement actions taken by the comptroller as a result of cases identified from the vendor's system, not to exceed an amount stated in the contract.

Sec. 111.0036. OUT-OF-STATE AUDITS. Authorizes the comptroller to contract with an appropriate person to perform tax audits in states that are not covered by comptroller field offices. Requires a contract made under this section to provide that the person performing the audits receive compensation through a contingency fee determined from a percentage of the revenue deposited into the state treasury from the audits, not to exceed an amount stated in the contract.

SECTION 2. Emergency clause.  
Effective date: upon passage.