

## **BILL ANALYSIS**

Senate Research Center

S.B. 1497  
By: Ellis, Rodney  
Finance  
4/4/2001  
As Filed

### **DIGEST AND PURPOSE**

The legislature finds that the United States Congress has enacted the Mobile Telecommunications Sourcing Act for the purpose of establishing uniform nationwide sourcing rules for state and local taxation of mobile telecommunications services. The legislature recognizes that the federal act is intended to provide a clarification of sourcing rules that is revenue-neutral. As proposed, S.B. 1497 implements the Mobil Telecommunications Sourcing Act.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 151A, Tax Code, by adding Section 151.01025, as follows:

Sec. 151.01015. (Note: Bill as drafted references both Section 151.01025, above, and 151.01015, here). (a) LEGISLATIVE FINDINGS. Sets forth legislative findings.

(b) DEFINITIONS. Defines “act,” “enhanced zip code,” “home service provider,” and “place of primary use.”

(c) CUSTOMERS' PROCEDURES AND REMEDIES FOR CORRECTING TAXES AND FEES. Requires a customer, if the customer believes that an amount of tax or assignment of place of primary or taxing jurisdiction included on a billing is erroneous, to notify the home service provider in writing. Requires the customer to include in this written notification the street address for her or his place of primary use, the account name and number for which the customer seeks a correction of the tax assignment, a description of the error asserted by the customer, and any other information that the home service provider reasonably requires to process the request. Requires the home service provider, within sixty days of receiving a notice under this section, to review its records and the electronic database or enhanced zip code used pursuant to Section 3 above to determine the customer's taxing jurisdiction. Requires the home service provider, if this review shows that the amount of tax, assignment of place of primary use or taxing jurisdiction is in error, to correct the error and refund or credit the amount of tax erroneously collected from the customer for a period of up to two years. Requires the home service provider, if this review shows that the amount of tax, assignment of place of primary use or taxing jurisdiction is correct, to provide a written explanation to the customer. Requires the procedures in this section to be the first course of remedy available to customers seeking correction of assignment of place of primary use or taxing jurisdiction, or a refund of or other compensation for taxes and/or fees erroneously collected by the home service provider.

(d) APPLICATION. Provides that this section applies to the computation of taxes and fees

under Section 151.0103 (Telecommunications Services), Tax Code, Section 321.203 (Consumption of Sale), Tax Code, Section 451.404 (Sales and Use Tax), Transportation Code, and Section 56.107 (Universal Service Fund Surcharge), Utilities Code.

SECTION 2. Effective date: September 1, 2001.

Makes application of this Act prospective to August 1, 2002.