

BILL ANALYSIS

Senate Research Center
77R5530 SMJ-D

S.B. 640
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Finance
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DIGEST AND PURPOSE

Currently, the Texas Comptroller of Public Accounts collects 63 different state taxes, 39 of which can be paid using electronic funds transfer (EFT). As proposed, S.B. 640 would require taxpayers owing more than \$100,000 in annual taxes to make payments via EFT.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the comptroller of public accounts in Section 1 (Sections 111.0625 and 111.0626, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 111B, Tax Code, by adding Sections 111.0625 and 111.0626, as follows:

Sec. 111.0625. ELECTRONIC TRANSFER OF CERTAIN PAYMENTS. Requires the comptroller by rule to require a taxpayer who paid \$100,000 or more during the preceding fiscal year in a category of payments required under this title to transfer payments in that category by means of electronic funds transfer in accordance with Section 404.095 (Electronic Transfer of Certain Payments), Government Code, if the comptroller reasonably anticipates the person will pay at least that amount during the current fiscal year.

Sec. 111.0626. ELECTRONIC FILING OF CERTAIN REPORTS. (a) Requires the comptroller by rule to require electronic filing of a report required under Chapter 151, 201, or 202, or an international fuel tax agreement, for a taxpayer who is also required under Section 111.0625 to transfer by electronic funds transfer.

(b) Authorizes the comptroller to adopt rules requiring electronic filing of a report not described by Subsection (a).

(c) Provides that a rule adopted under this section must provide for a waiver from the electronic filing requirement for a taxpayer who cannot comply.

SECTION 2. Amends Section 111.063, Tax Code, as follows:

Sec. 111.063. New heading: PENALTY FOR FAILURE TO USE ELECTRONIC TRANSFERS AND FILINGS.

(a)(2) Authorizes the comptroller to impose a penalty of five percent of the tax due on a person who is required under Section 111.0626 to file a report electronically and does not file the report electronically.

(b) Provides that the penalties provided by this section are in addition to any other penalty provided by law.

SECTION 3. Effective date: upon passage or September 1, 2001.