

BILL ANALYSIS

Senate Research Center
81R22480 CBH-D

C.S.S.B. 1934
By: Watson
Economic Development
4/7/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Metropolitan transit authorities receive minimal sales and use tax information from the Office of the Comptroller of Public Accounts (comptroller). Additional information that is available to other local governmental entities has proven a useful tool for budgeting, forecasting, and cash flow management, and for collecting additional sales tax revenue that is currently due but not collected.

The current information available to transit or transportation authorities is the same information available to Texas counties. Currently transit authorities may receive a quarterly report listing every holder of a sales tax permit and every permit holder that is delinquent on sales tax remittances to the state.

Municipal governments have access to a great deal of additional information that is currently unavailable to transit authorities. The detailed information available to municipalities allows for a comprehensive analysis of the sales tax composition, changes, and the performance of given businesses and segments of the economy. This data allows municipalities to forecast sales tax revenues and better manage cash flow to the city. Furthermore, it allows municipalities to identify businesses that remit sales tax and work with those companies to enhance the business climate of the area.

C.S.S.B. 1934 entitles an eligible transit and transportation authority or emergency services district access to the same sales and use tax information from the comptroller as is provided by the comptroller to municipalities.

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 Section 151.027(c), Tax Code, to provide that this section does not prohibit the delivery of information to an eligible municipality in accordance with Section 321.3022 (Tax Information) or an eligible transit or transportation authority or emergency services district in accordance with Section 322.2022.

SECTION 2. Amends Subchapter C, Chapter 322, Tax Code, by adding Section 322.2022, as follows:

Sec. 322.2022. TAX INFORMATION. (a) Requires the comptroller of public accounts (comptroller) on request, except as otherwise provided by this section, to provide to a taxing entity that is a rapid transit authority created under Chapter 451 (Metropolitan Rapid Transit Authorities), Transportation Code, a regional transportation authority created under Chapter 452 (Regional Transportation Authorities), Transportation Code, or an emergency services district created under Chapter 775 (Emergency Services Districts) or 776 (Emergency Services Districts in Counties of 125,000 or Less), Health and Safety Code, that has adopted a tax under the law authorizing the creation of the entity information relating to the amount of tax paid to the entity under this chapter during the preceding or current calendar year by each person doing business in the area

included in the entity who annually remits to the comptroller state and local sales tax payments of more than \$25,000 and any other information as provided by this section.

(b) Requires the comptroller on request to provide to a taxing entity to which this section applies information relating to the amount of tax paid to the entity under this chapter during the preceding or current calendar year by each person doing business in an area included in the entity, as defined by the entity, that is part of an interlocal agreement, a revenue sharing agreement, any other agreement similar to those listed in Subdivisions (1) and (2), or any area defined by the entity for the purpose of economic forecasting.

(c) Requires the comptroller to provide the information under Subsection (b) as an aggregate total for all persons doing business in the defined area without disclosing individual tax payments.

(d) Requires the comptroller, if the request for information under Subsection (b) involves not more than three persons doing business in the defined area who remit taxes under this chapter, to refuse to provide the information to the taxing entity unless the comptroller receives permission from each of the persons allowing the comptroller to provide the information to the entity as requested.

(e) Requires that a separate request for information under this section be made in writing by the taxing entity each year.

(f) Provides that information received by a taxing entity under this section is confidential, is not open to public inspection, and is authorized to be used only for the purpose of economic forecasting, for internal auditing of a tax paid to the entity under this chapter, or for the purpose described by Subsection (g).

(g) Authorizes information received by a taxing entity under Subsection (b) to be used by the entity to assist in determining revenue sharing under a revenue sharing agreement or other similar agreement.

(h) Authorizes the comptroller to set and collect from a taxing entity reasonable fees to cover the expense of compiling and providing information under this section.

(i) Provides that the governing body of a taxing entity, notwithstanding Chapter 551 (Open Meetings), Government Code, is not required to confer with one or more employees or a third party in an open meeting to receive information or question the employees or third party regarding the information received by the entity under this section.

SECTION 3. Effective date: September 1, 2009.