

BILL ANALYSIS

Senate Research Center

S.B. 1364
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Finance
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Office of the Comptroller of Public Accounts of the State of Texas (comptroller's office) has seen a recent increase in the number of business entities filing their franchise reports electronically. In 2014, about two-thirds of the state's 1.4 million taxpayers chose to file online.

At the same time, the number of no-tax-due franchise reports has also increased, as about 80 percent of the reports filed for 2014 indicated no tax was due. Of those no-tax-due reports, approximately two-thirds were filed electronically.

Electronic filing of tax reports is already required for limited sales, excise, and use tax, gas production tax, and oil production tax for taxpayers paying over \$50,000 annually. Currently, no requirements exist for electronically filing no-tax-due franchise tax reports.

S.B. 1364 adds the information report that an entity must file when no franchise tax is due to the list of reports that must be filed electronically. This should allow the comptroller's office to process franchise tax reports more efficiently and cost-effectively.

S.B. 1364 amends current law relating to electronic filing of certain reports.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the comptroller of public accounts of the State of Texas is modified in SECTION 1 (Section 111.0626(a), Tax Code) of this bill.

Rulemaking authority previously granted to the comptroller of public accounts of the State of Texas is rescinded in SECTION 2 (Section 111.0626(b), Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 111.0626(a), Tax Code, to require the comptroller of public accounts of the State of Texas (comptroller) by rule to require electronic filing for:

- (1) Creates this subdivision from existing text; and
- (2) a report required under Section 171.204 (Information Report).

SECTION 2. Repealer: Section 11.0626(b) (authorizing the comptroller to adopt rules requiring electronic filing of a report not described by Subsection (a)), Tax Code.

SECTION 3. Effective date: September 1, 2015.