

BILL ANALYSIS

Senate Research Center

H.B. 3232
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Finance
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to interested parties, there is a need for guidance regarding the standards by which the Texas comptroller of public accounts assesses a penalty to be imposed on delinquent oil and gas production taxes in certain circumstances. H.B. 3232 seeks to provide that guidance.

H.B. 3232 amends current law relating to the penalty imposed on certain delinquent oil and gas severance taxes.

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 201.351, Tax Code, by adding Subsection (c), as follows:

(c) Provides that, notwithstanding Subsections (a) (relating to a person who fails to pay the imposed tax when due forfeiting a certain amount due as a penalty) and (b) (relating to the minimum penalty), a person is not subject to Subsection (a) if:

(1) the delinquent tax results from the person's filing of an amended report with the Texas comptroller of public accounts (comptroller) for a timely filed original report under Sections 201.203 (Producer's Report) or 201.2035 (First Purchaser's Report);

(2) the person timely paid the full amount of tax due as indicated in the original report;

(3) the amount of additional tax due as a result of all amended reports for the original report does not exceed 25 percent of the tax due as indicated in the original report;

(4) the person resolves all errors identified by the comptroller on the amended or original report that could affect the amount of tax due on that report not later than the 60th day after the date on which the amended or original report, as applicable, is filed; and

(5) the person files the amended report not later than the 730th day after the date on which the original report was due and remits the full amount of the additional tax due with the amended report.

SECTION 2. Amends Section 201.301, Tax Code, by adding Subsection (c), as follows:

(c) Provides that, notwithstanding Subsections (a) (relating to a person who fails to pay the imposed tax when due forfeiting a certain amount due as a penalty) and (b) (relating to the minimum penalty), a person is not subject to a penalty under Subsection (a) if:

- (1) the delinquent tax results from the person's filing of an amended report with the comptroller for a timely filed original report under Section 202.201 (Producer's Report) or 202.202 (First Purchaser's Report);
- (2) the person timely paid the full amount of tax due as indicated in the original report;
- (3) the amount of additional tax due as a result of all amended reports for the original report does not exceed 25 percent of the tax due as indicated in the original report;
- (4) the person resolves all errors identified by the comptroller on the amended or original report that could affect the amount of tax due on that report not later than the 60th day after the date on which the amended or original report, as applicable, is filed; and
- (5) the person files the amended report not later than the 730th day after the date on which the original report was due and remits the full amount of the additional tax due with the amended report.

SECTION 3. Provides that Sections 201.351(c) and 202.301(c), Tax Code, as added by this Act, apply to delinquent tax owed as a result of an amended report filed with the comptroller on or after the effective date of this Act, regardless of the date on which the original report was due.

SECTION 4. Effective date: January 1, 2018.