

BILL ANALYSIS

Senate Research Center

S.B. 873
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Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, when a person wants to purchase an existing business, they may request a certificate from the Comptroller of Public Accounts of the State of Texas (comptroller) stating that no taxes are due by the business they are purchasing. If taxes are due, the comptroller is statutorily required to issue a statement to the purchaser of the amount required to be paid before a certificate can be issued. However, a conflict has been identified between this requirement and the statutory provision for confidentiality of taxpayer information which prohibits the comptroller from sharing specific information.

S.B. 873 allows the comptroller to disclose the taxes due to the purchaser of that business if the purchaser so requests by affidavit or other form prescribed by the comptroller. S.B. 873 would also exclude this information from the application of the confidentiality law when requested in this manner.

S.B. 873 amends current law relating to disclosure by the comptroller to the purchaser of a business of the amount of tax due.

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 111.020, Tax Code, by amending Subsection (c) and adding Subsection (c-1), as follows:

(c) Authorizes the purchaser of a business, on an affidavit or other form prescribed by the Comptroller of Public Accounts of the State of Texas (comptroller), to request that the comptroller issue a certificate stating that no tax is due or issue a statement of the amount required to be paid before a certificate may be issued.

(c-1) Provides that Section 111.006(a) (relating to the confidentiality of certain tax information) does not apply to the disclosure of information under Subsection (c).

SECTION 2. Effective date: September 1, 2021.