

**BILL ANALYSIS**

C.S.H.B. 3471  
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Ways & Means  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Interested parties contend that not all taxpayers are treated equally with regard to sales tax refund claims filed by taxpayers, specifically those claims filed by oil and gas operators. C.S.H.B. 3471 seeks to provide for equal treatment of taxpayers in this respect.

**CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

**RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

**ANALYSIS**

C.S.H.B. 3471 amends the Tax Code to authorize a person who files an oil or gas production tax first purchaser's or producer's report and who does not hold a permit under the Limited Sales, Excise, and Use Tax Act to obtain a refund for sales and use taxes paid in error to a person who holds such a permit by filing a claim for refund with the comptroller of public accounts within the limitation period specified by applicable law. The bill authorizes the comptroller by rule to provide additional procedures for claiming such a refund.

**EFFECTIVE DATE**

September 1, 2017.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3471 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

**INTRODUCED**

**HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Section 151.430, Tax Code, is amended by amending Subsections (a) and (c) and adding Subsection (c-1) to read as follows:

No equivalent provision. *(But see SECTION 1 below.)*

(a) This section applies to the tax on purchases paid by a person who holds

~~holding~~ a permit under this chapter or files a report under Section 201.203, 201.2035, 202.201, or 202.202, who has purchased taxable items for use in this state, and who has remitted tax on those items in error to this state or has paid tax on those items in error to a retailer holding a permit under this chapter.

(c) A ~~The~~ person who holds a permit under this chapter may obtain reimbursement for amounts determined to have been overpaid by taking a credit on one or more sales tax returns or by filing a claim for refund with the comptroller within the limitation period specified by Subchapter D, Chapter 111.

(c-1) A person who files a report under Section 201.203, 201.2035, 202.201, or 202.202 may obtain reimbursement for amounts determined to have been overpaid under this chapter by taking a credit on one or more reports under those sections or by filing a claim for refund with the comptroller within the limitation period specified by Subchapter D, Chapter 111.

No equivalent provision. (*But see SECTION 1 above.*)

SECTION 2. The change in law made by this Act does not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.4304 to read as follows:

Sec. 151.4304. TAX REFUNDS FOR OIL OR GAS SEVERANCE TAXPAYERS. (a) Notwithstanding Section 111.104(b), a person who files a report under Section 201.203, 201.2035, 202.201, or 202.202 and who does not hold a permit under this chapter may obtain a refund for taxes paid under this chapter in error to a person who holds a permit under this chapter by filing a claim for refund with the comptroller within the limitation period specified by Subchapter D, Chapter 111.

(b) The comptroller by rule may provide additional procedures for claiming a refund under this section.

SECTION 2. Same as introduced version.

SECTION 3. This Act takes effect  
September 1, 2017.

SECTION 3. Same as introduced version.