

BILL ANALYSIS

S.B. 296
By: Perry
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law requires a seller to provide resale and exemption certificates to the comptroller of public accounts under the Limited Sales, Excise, and Use Tax Act in connection with a sales and use tax audit. These certificates must be in the possession of the seller at the time the nontaxable transaction occurs. However, if the seller is not in possession of these certificates within 60 days from the date written notice requiring possession of the certificates is given to the seller by the comptroller, deductions claimed by the seller that require delivery of the certificates are disallowed. There have been calls to provide greater flexibility to these sellers in order to ensure that the sellers are able to possess the certificates within a reasonable amount of time. S.B. 296 seeks to address this issue by revising the deadline by which a seller must provide resale and exemption certificates to the comptroller in connection with a sales and use tax audit.

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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 296 amends the Tax Code to change the deadline by which a seller must possess a properly completed resale or exemption certificate for certain nontaxable transactions under the Limited Sales, Excise, and Use Tax Act to allow deductions claimed by the seller that require delivery of the certificates from within 60 days from the date written notice requiring possession of the certificates is given to the seller by the comptroller of public accounts to within 90 days from that date. The bill provides for the extension of the deadline to a later date agreed to by the comptroller and the seller.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.