

**SUBJECT:** Extending the deadline to provide resale and exemption certificates

**COMMITTEE:** Ways and Means — favorable, without amendment

**VOTE:** 9 ayes — Meyer, Thierry, Button, Cole, Guerra, Murphy, Noble, Rodriguez, Shine

0 nays

2 absent — Martinez Fischer, Sanford

**SENATE VOTE:** On final passage, April 29 — 31-0, on Local and Uncontested Calendar

**WITNESSES:** For — Dino Marcaccio, Texas Tax Group, LLC; (*Registered, but did not testify*: James LeBas, Texas Association of Manufacturers; Ron Hinkle, Texas Tax Group LLC; Carl Walker, Texas Taxpayers and Research Association)

Against — None

On — (*Registered, but did not testify*: Tom Currah, Comptroller of Public Accounts)

**BACKGROUND:** Under Tax Code secs. 151.054 and 151.104, a seller's gross receipts and sales of taxable items for delivery in the state are presumed to have been subject to sales and use taxes unless a properly completed resale or exemption certificate is accepted by the seller. Such certificates should be in the possession of the seller at the time the nontaxable transaction occurs. If the seller is not in possession of the certificates within 60 days from the date written notice requiring their possession is given to the seller by the comptroller, deductions claimed by the seller are disallowed.

**DIGEST:** SB 296 would extend the deadline by which a seller had to possess a resale or exemption certificate to claim a deduction on the sale or use of a taxable item from 60 to 90 days after the comptroller sent notice. The bill also would provide that the comptroller and seller could agree to a later

date.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021. The bill would apply only to an audit of a seller's sales transaction that was pending on or commenced on or after the effective date.

**SUPPORTERS  
SAY:**

SB 296 would provide more flexibility to sellers by extending the deadline by which a seller had to provide resale and exemption certificates to the comptroller in connection with a sales and use tax audit. This bill would extend the deadline from 60 to 90 days after the comptroller issued a notice that such a certificate was required to the seller, ensuring sellers had a reasonable amount of time to provide such certificates and claim the sales and use tax deduction.

**CRITICS  
SAY:**

No concerns identified.