

1-1 By: Sanford (Senate Sponsor - Perry) H.B. No. 2256
 1-2 (In the Senate - Received from the House May 6, 2019;
 1-3 May 6, 2019, read first time and referred to Committee on Finance;
 1-4 May 13, 2019, reported favorably by the following vote: Yeas 12,
 1-5 Nays 0; May 13, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17			X	
1-18	X			
1-19	X			
1-20	X			
1-21			X	
1-22			X	

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to procedures for tax auditing, determining amounts of
 1-26 overpayments, and obtaining reimbursements of overpayments of gas
 1-27 production taxes.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Subchapter E, Chapter 201, Tax Code, is amended
 1-30 by adding Section 201.207 to read as follows:

1-31 Sec. 201.207. DETERMINATION OF OVERPAID AMOUNTS. (a) This
 1-32 section applies to the tax paid under this chapter by a person who
 1-33 filed a report under Section 201.203 or 201.2035 and remitted tax in
 1-34 error to this state.

1-35 (b) A person to whom this section applies may compute the
 1-36 amount of overpayment using a sampling of marketing cost
 1-37 transactions if the comptroller approves the sampling method.

1-38 (c) The person may obtain reimbursement for amounts
 1-39 determined to have been overpaid by taking a credit on one or more
 1-40 reports filed under Section 201.203 or 201.2035 or by filing a claim
 1-41 for refund with the comptroller within the limitation period
 1-42 specified by Section 111.107 and Subchapter D, Chapter 111.

1-43 (d) The person must record the method by which the
 1-44 computation of the overpayment is performed and must make available
 1-45 on request by the comptroller the records on which the computation
 1-46 is based.

1-47 (e) The comptroller may adopt rules specifying additional
 1-48 procedures that must be followed in connection with claiming a
 1-49 credit under this section.

1-50 SECTION 2. Subchapter G, Chapter 201, Tax Code, is amended
 1-51 by adding Section 201.3021 to read as follows:

1-52 Sec. 201.3021. MANAGED AUDITS. (a) In this section,
 1-53 "managed audit" means a review and analysis of invoices, checks,
 1-54 accounting records, or other documents or information conducted by
 1-55 a taxpayer to determine a taxpayer's liability for tax under this
 1-56 chapter.

1-57 (b) The comptroller may, in a written agreement, authorize a
 1-58 taxpayer to conduct a managed audit under this section. The
 1-59 agreement must:

1-60 (1) be signed by an authorized representative of the
 1-61 comptroller and the taxpayer; and

2-1 (2) specify the period to be audited and the procedure
2-2 to be followed.
2-3 (c) The decision to authorize or not authorize a managed
2-4 audit rests solely with the comptroller.
2-5 (d) In determining whether to authorize a managed audit
2-6 under this section, the comptroller may consider:
2-7 (1) the taxpayer's history of tax compliance;
2-8 (2) whether the taxpayer has sufficient time and
2-9 resources to conduct the audit;
2-10 (3) the sufficiency and availability of the taxpayer's
2-11 tax records;
2-12 (4) the taxpayer's ability to pay any liability
2-13 arising as a result of the audit; and
2-14 (5) any other factor the comptroller determines is
2-15 relevant.
2-16 (e) A managed audit may be limited to one or more factors
2-17 affecting a taxpayer's liability for tax under this chapter,
2-18 including:
2-19 (1) gross value of gas produced;
2-20 (2) exempt interest;
2-21 (3) marketing costs of gas produced;
2-22 (4) gas used to power operations at a well or lease; or
2-23 (5) tax reimbursement paid by a purchaser to a
2-24 producer.
2-25 (f) The comptroller may examine records and perform reviews
2-26 that the comptroller determines are necessary before the audit is
2-27 finalized to verify the results of the audit.
2-28 (g) Unless the audit or information reviewed by the
2-29 comptroller under Subsection (f) discloses fraud or wilful evasion
2-30 of the tax, the comptroller may not assess a penalty and may waive
2-31 all or part of the interest that would otherwise accrue on any
2-32 amount identified to be due in a managed audit. This subsection does
2-33 not apply to any amount collected by the taxpayer that was a tax or
2-34 represented to be a tax but that was not remitted to this state.
2-35 (h) Except as provided by Section 111.104(f), the taxpayer
2-36 is entitled to a refund of any tax overpayment disclosed by a
2-37 managed audit under this section.
2-38 (i) The comptroller may adopt rules and establish
2-39 procedures to administer this section, including procedures that
2-40 must be followed when conducting a managed audit under this
2-41 section.
2-42 SECTION 3. The change in law made by this Act does not
2-43 affect tax liability accruing before the effective date of this
2-44 Act. That liability continues in effect as if this Act had not been
2-45 enacted, and the former law is continued in effect for the
2-46 collection of taxes due and for civil and criminal enforcement of
2-47 the liability for those taxes.
2-48 SECTION 4. This Act takes effect September 1, 2019.

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