

1-1 By: Guillen (Senate Sponsor - Hinojosa) H.B. No. 4542  
 1-2 (In the Senate - Received from the House May 8, 2019;  
 1-3 May 10, 2019, read first time and referred to Committee on Finance;  
 1-4 May 17, 2019, reported favorably by the following vote: Yeas 14,  
 1-5 Nays 0; May 17, 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 reports by persons involved in the manufacture and  
 1-26 distribution of alcoholic beverages for purposes of sales and use  
 1-27 taxes.

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

1-29 SECTION 1. Section 151.461, Tax Code, is amended by adding  
 1-30 Subdivision (1-a) and amending Subdivision (5) to read as follows:

1-31 (1-a) "Brewpub" means a brewpub for which a person  
 1-32 holds a brewpub license under Chapter 74, Alcoholic Beverage Code.

1-33 (5) "Retailer" means a person required to hold:

1-34 (A) a wine and beer retailer's permit under  
 1-35 Chapter 25, Alcoholic Beverage Code;

1-36 (B) a wine and beer retailer's off-premise permit  
 1-37 under Chapter 26, Alcoholic Beverage Code;

1-38 (C) a temporary wine and beer retailer's permit  
 1-39 or special three-day wine and beer permit under Chapter 27,  
 1-40 Alcoholic Beverage Code;

1-41 (D) a mixed beverage permit under Chapter 28,  
 1-42 Alcoholic Beverage Code;

1-43 (E) a daily temporary mixed beverage permit under  
 1-44 Chapter 30, Alcoholic Beverage Code;

1-45 (F) a private club registration permit under  
 1-46 Chapter 32, Alcoholic Beverage Code;

1-47 (G) a certificate issued to a fraternal or  
 1-48 veterans organization under Section 32.11, Alcoholic Beverage  
 1-49 Code;

1-50 (H) a daily temporary private club permit under  
 1-51 Subchapter B, Chapter 33, Alcoholic Beverage Code;

1-52 (I) a temporary auction permit under Chapter 53,  
 1-53 Alcoholic Beverage Code;

1-54 (J) a retail dealer's on-premise license under  
 1-55 Chapter 69, Alcoholic Beverage Code;

1-56 (K) a temporary license under Chapter 72,  
 1-57 Alcoholic Beverage Code; ~~or~~

1-58 (L) a retail dealer's off-premise license under  
 1-59 Chapter 71, Alcoholic Beverage Code, except for a dealer who also  
 1-60 holds a package store permit under Chapter 22, Alcoholic Beverage  
 1-61 Code; or

2-1 (M) a brewpub license under Chapter 74, Alcoholic  
 2-2 Beverage Code.

2-3 SECTION 2. Section 151.462, Tax Code, is amended to read as  
 2-4 follows:

2-5 Sec. 151.462. REPORTS BY BREWERS, MANUFACTURERS, BREW PUBS,  
 2-6 WHOLESALEERS, AND DISTRIBUTORS. (a) The comptroller shall require  
 2-7 each brewer, manufacturer, brewpub, wholesaler, distributor, or  
 2-8 package store local distributor to file with the comptroller a  
 2-9 report each month of alcoholic beverage sales to retailers in this  
 2-10 state.

2-11 (b) Each brewer, manufacturer, brewpub, wholesaler,  
 2-12 distributor, or package store local distributor shall file a  
 2-13 separate report for each permit or license held on or before the  
 2-14 25th day of each month. The report must contain the following  
 2-15 information for the preceding calendar month's sales in relation to  
 2-16 each retailer:

2-17 (1) the brewer's, manufacturer's, brewpub's,  
 2-18 wholesaler's, distributor's, or package store local distributor's  
 2-19 name, address, taxpayer number and outlet number assigned by the  
 2-20 comptroller, and alphanumeric permit or license number issued by  
 2-21 the Texas Alcoholic Beverage Commission;

2-22 (2) the retailer's:  
 2-23 (A) name and address, including street name and  
 2-24 number, city, and zip code;

2-25 (B) taxpayer number assigned by the comptroller;  
 2-26 and

2-27 (C) alphanumeric permit or license number issued  
 2-28 by the Texas Alcoholic Beverage Commission for each separate retail  
 2-29 location or outlet to which the brewer, manufacturer, brewpub,  
 2-30 wholesaler, distributor, or package store local distributor sold  
 2-31 the alcoholic beverages that are listed on the report; and

2-32 (3) the monthly net sales made by the brewer,  
 2-33 manufacturer, brewpub, wholesaler, distributor, or package store  
 2-34 local distributor to the retailer for each outlet or location  
 2-35 covered by a separate retail permit or license issued by the Texas  
 2-36 Alcoholic Beverage Commission, including separate line items for:

2-37 (A) the number of units of alcoholic beverages;  
 2-38 (B) the individual container size and pack of  
 2-39 each unit;

2-40 (C) the brand name;  
 2-41 (D) the type of beverage, such as distilled  
 2-42 spirits, wine, or malt beverage;

2-43 (E) the universal product code of the alcoholic  
 2-44 beverage; and

2-45 (F) the net selling price of the alcoholic  
 2-46 beverage.

2-47 (c) Except as provided by this subsection, the brewer,  
 2-48 manufacturer, brewpub, wholesaler, distributor, or package store  
 2-49 local distributor shall file the report with the comptroller  
 2-50 electronically. The comptroller may establish procedures to  
 2-51 temporarily postpone the electronic reporting requirement for a  
 2-52 brewer, manufacturer, brewpub, wholesaler, distributor, or package  
 2-53 store local distributor who demonstrates to the comptroller an  
 2-54 inability to comply because undue hardship would result if it were  
 2-55 required to file the return electronically. If the comptroller  
 2-56 determines that another technological method of filing the report  
 2-57 is more efficient than electronic filing, the comptroller may  
 2-58 establish procedures requiring its use by brewers, manufacturers,  
 2-59 brewpubs, wholesalers, distributors, and package store local  
 2-60 distributors.

2-61 SECTION 3. Subchapter I-1, Chapter 151, Tax Code, is  
 2-62 amended by adding Section 151.4661 to read as follows:

2-63 Sec. 151.4661. APPLICABILITY TO CERTAIN BREW PUBS. This  
 2-64 subchapter applies only to a brewpub that engages in activities  
 2-65 authorized by Section 74.08, Alcoholic Beverage Code.

2-66 SECTION 4. Section 151.468(b), Tax Code, is amended to read  
 2-67 as follows:

2-68 (b) In addition to the penalties imposed under Subsection  
 2-69 (a), a brewer, manufacturer, brewpub, wholesaler, distributor, or

3-1 package store local distributor shall pay the state a civil penalty  
3-2 of not less than \$25 or more than \$2,000 for each day a violation  
3-3 continues if the brewer, manufacturer, brewpub, wholesaler,  
3-4 distributor, or package store local distributor:

- 3-5 (1) violates this subchapter; or
- 3-6 (2) violates a rule adopted to administer or enforce
- 3-7 this subchapter.

3-8 SECTION 5. Section [151.470](#), Tax Code, is amended to read as  
3-9 follows:

3-10 Sec. 151.470. AUDIT; INSPECTION. The comptroller may  
3-11 audit, inspect, or otherwise verify a brewer's, manufacturer's,  
3-12 brewpub's, wholesaler's, distributor's, or package store local  
3-13 distributor's compliance with this subchapter.

3-14 SECTION 6. This Act takes effect September 1, 2019.

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