

CHAPTER 177

H.B. No. 731

An Act relating to erroneous or wrongful collections of state taxes by retailers and others engaged in business.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 111.011, Tax Code, is amended to read as follows:

Sec. 111.011. **TAX COLLECTIONS AND REPORTS BY BUSINESSES; ENFORCEMENT OF DUTIES** [~~INJUNCTION TO HALT BUSINESS ACTIVITIES~~]. (a) If a person engaged in a business the operation of which involves the receipt, collection, or withholding of a tax imposed by this title fails to file a report or pay the tax as required by this title, the attorney general may bring suit for an injunction prohibiting the person from continuing in that business until the report is filed and the tax is paid.

(b) *If a person engaged in business the operation of which involves the receipt, collection, or withholding of a tax imposed by this title receives, collects, or withholds more tax than is authorized by law to be received, collected, or withheld or if the person receives, collects, or withholds money from any other person under a claim or representation that the receipt, collection, or withholding is a tax imposed by this title or other law and the amount received, collected, or withheld is not a tax authorized by law, and the person does not voluntarily comply with the notice set forth in Subsection (c) herein, the attorney general shall bring suit for an injunction prohibiting the person from the wrongful receipt, collection, or withholding of the tax or alleged tax.*

(c) *Prior to filing suit for an injunction, the attorney general shall send written notice by certified mail requesting that the person shall cease any wrongful collections of taxes allowing 15 days for compliance from the date of notice.*

(d) The venue for a suit under this section is in Travis County.

SECTION 2. This Act takes effect September 1, 1985.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on April 16, 1985, by a non-record vote; passed by the Senate on May 9, 1985, by the following vote: Yeas 31, Nays 0.

Approved: May 24, 1985

Effective: September 1, 1985