

By: Muñoz, Jr.

H.B. No. 46

A BILL TO BE ENTITLED

AN ACT

relating to the maximum amount of penalties that may be imposed for delinquent taxes and tax reports and the application of taxpayer payments to taxes, penalties, and interest.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 111, Tax Code, is amended by adding Section 111.0512 to read as follows:

Sec. 111.0512. APPLICATION OF TAX PAYMENTS.

Notwithstanding any other law, the comptroller shall apply a payment made by a taxpayer to the amount of tax due before applying any portion of the payment to a penalty or interest owed by the taxpayer unless the taxpayer provides written instructions for a different application of the payment.

SECTION 2. Section 111.061, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A ~~[Except as otherwise provided, a]~~ penalty of five percent of the tax due shall be imposed on a person who fails to pay a tax imposed or file a report required by Title 2 or 3 of this code when due, unless another law provides a lower penalty amount ~~[and, if the person fails to file the report or pay the tax within 30 days after the day on which the tax or report is due, an additional five percent penalty shall be imposed].~~

(a-1) Notwithstanding any other law, a penalty imposed on a

1 person who fails to pay a tax imposed or file a report required by  
2 Title 2 or 3 of this code when due may not exceed the amounts  
3 provided by Subsection (a) and, if applicable, Subsection (b).

4 SECTION 3. Section 111.0512, Tax Code, as added by this Act,  
5 applies only to a payment received on or after the effective date of  
6 this Act. A payment received before the effective date of this Act  
7 is governed by the law in effect on the date the payment was  
8 received, and the former law is continued in effect for that  
9 purpose.

10 SECTION 4. Section 111.061, Tax Code, as amended by this  
11 Act, applies only to an amount of tax or a tax report that is  
12 originally due on or after the effective date of this Act. A  
13 penalty in connection with an amount of tax or a tax report that was  
14 originally due before the effective date of this Act is governed by  
15 the law in effect on the date the tax or tax report was originally  
16 due, and the former law is continued in effect for that purpose.

17 SECTION 5. This Act takes effect September 1, 2023.