

Amend CSHB 3540 by inserting an appropriately numbered article and renumbering subsequent articles accordingly:

ARTICLE ____ . INTEREST ON CERTAIN TAX REFUNDS

SECTION ____ .01. Section 111.064, Tax Code, is amended by amending Subsections (a), (c), and (f) and adding Subsection (c-1) to read as follows:

(a) Except as otherwise provided by this section [~~Subsections (b) and (c)~~], in a comptroller's final decision on a claim for refund or in an audit, interest is at the rate set in Section 111.060 on the amount found to be erroneously paid for a period:

(1) beginning on the latest [~~later~~] of:

(A) 60 days after the date of payment;

(B) [~~or~~] the due date of the tax report; or

(C) the date the claim for the refund is filed;

and

(2) ending on, as determined by the comptroller, either the date of allowance of credit on account of the comptroller's final decision or audit or a date not more than 10 days before the date of the refund warrant.

(c) For a refund claimed before September 1, 2005, and granted for a report period due on or after January 1, 2000, the rate of interest is the rate set in Section 111.060. For a refund claimed on or after September 1, 2005, and granted for a report period due on or after January 1, 2000, the rate of interest is the lesser of:

(1) the average rate of interest earned on deposits in the state treasury during the period for which interest is paid on the refund, as determined by the comptroller; or

(2) the rate set in Section 111.060.

(c-1) A refund, without regard to the date claimed, for a report period due before January 1, 2000, does not accrue interest.

(f) A local revenue fund is not subject to Subsections (a)-(c-1) [~~(a)-(c)~~]. In this subsection, "local revenue fund" includes a court cost, a fee, a fine, or a similar charge collected by a municipality, a county, or a court of this state and remitted to the comptroller.

SECTION ____ .02. This article takes effect September 1,
2005.