

## **BILL ANALYSIS**

C.S.H.B. 2254  
By: Rose  
Local Government Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Under current law, Section 31.031 of the Texas Property Tax Code, taxpayers that are 65 years old and over can pay property taxes in four equal installments. Presently, they are assessed a twelve percent penalty and interest if delinquent on the second or subsequent installment payment. When any other taxpayer is delinquent on his/her taxes, that taxpayer is assessed a six percent penalty.

As proposed, CSHB 2254 reduces the penalty for taxpayers that are 65 years old and over to six percent.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1 of the bill amends Section 31.031 (b), Tax Code to provide that a penalty for failing to make a tax payment is six percent. The penalty does not increase in the manner set out in 33.01 (a) Texas Property Tax Code.

SECTION 2 sets out Section 31.031(b), Tax Code, as amended by this Act, applies only to the penalty for a failure to make a timely installment payment of taxes that occurs on or after the effective date of this Act. The penalty for a failure to make a timely installment payment of taxes that occurred before the effective date of this Act is governed by the law in effect when the failure occurred, and the former law is continued in effect for that purpose.

SECTION 3 sets out that this law is effective September 1, 2005.

### **EFFECTIVE DATE**

This Act takes effect September 1, 2005.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute differs from the original by amending the bill to include that the six percent penalty does not increase in the manner set out in 33.01 (a) Texas Property Tax Code.