

By: Isett

H.B. No. 2636

Substitute the following for H.B. No. 2636:

By: Edwards

C.S.H.B. No. 2636

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the rate of and the period for which interest is paid on
3 certain tax refunds.

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

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

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

13 (1) beginning on the later of:

14 (A) 60 days after the date of payment; ~~[or]~~

15 (B) the due date of the tax report; or

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

17 and

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

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

1 claimed on or after September 1, 2005, and granted for a report
2 period due on or after January 1, 2000, the rate of interest is the
3 lesser of:

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

7 (2) the rate set in Section 111.060.

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

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

15 SECTION 2. This Act takes effect September 1, 2005.