

AN ACT

relating to the rate of interest on certain tax refunds.

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

SECTION 1. 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, for a refund under this chapter [~~Subsections (b) and (c), in a comptroller's final decision on a claim for refund or in an audit~~], interest is at the rate that is the lesser of the annual rate of interest earned on deposits in the state treasury during December of the previous calendar year, as determined by the comptroller, or the rate set in Section 111.060, and accrues on the amount found to be erroneously paid for a period:

(1) beginning on the later of 60 days after the date of payment or the due date of the tax report; 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.

(c-1) A refund, without regard to the date claimed, for a

1 report period due before January 1, 2000, does not accrue interest.

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

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1570 passed the Senate on April 14, 2005, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 27, 2005, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1570 passed the House, with amendment, on May 25, 2005, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor