

1-1 By: Williams S.B. No. 1570
1-2 (In the Senate - Filed March 11, 2005; March 22, 2005, read
1-3 first time and referred to Committee on Finance; April 4, 2005,
1-4 reported favorably by the following vote: Yeas 10, Nays 0;
1-5 April 4, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the rate of interest on certain tax refunds.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 111.064, Tax Code, is amended by
1-11 amending Subsections (a), (c), and (f) and adding Subsections (c-1)
1-12 and (c-2) to read as follows:

1-13 (a) Except as otherwise provided by this section
1-14 [~~Subsections (b) and (c)~~], in a comptroller's final decision on a
1-15 claim for refund or in an audit, interest is at the rate set in
1-16 Section 111.060 on the amount found to be erroneously paid for a
1-17 period:

1-18 (1) beginning on the later of 60 days after the date of
1-19 payment or the due date of the tax report; and

1-20 (2) ending on, as determined by the comptroller,
1-21 either the date of allowance of credit on account of the
1-22 comptroller's final decision or audit or a date not more than 10
1-23 days before the date of the refund warrant.

1-24 (c) For a refund granted in connection with a protest
1-25 payment submitted under Chapter 112 for a report period due on or
1-26 after January 1, 2000, the rate of the interest is the rate set in
1-27 Section 111.060.

1-28 (c-1) For a refund other than a refund described in
1-29 Subsection (c) claimed before September 1, 2005, and granted for a
1-30 report period due on or after January 1, 2000, the rate of interest
1-31 is the rate set in Section 111.060. For a refund other than a refund
1-32 described in Subsection (c) claimed on or after September 1, 2005,
1-33 and granted for a report period due on or after January 1, 2000, the
1-34 rate of interest is the lesser of:

1-35 (1) the average rate of interest earned on deposits in
1-36 the state treasury during the period for which interest is paid on
1-37 the refund, as determined by the comptroller; or

1-38 (2) the rate set in Section 111.060.

1-39 (c-2) A refund, without regard to the date claimed, for a
1-40 report period due before January 1, 2000, does not accrue interest.

1-41 (f) A local revenue fund is not subject to Subsections
1-42 (a)-(c-2) [~~(c)~~]. In this subsection, "local revenue fund"
1-43 includes a court cost, a fee, a fine, or a similar charge collected
1-44 by a municipality, a county, or a court of this state and remitted
1-45 to the comptroller.

1-46 SECTION 2. This Act takes effect September 1, 2005.

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