

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 4, 2005

TO: Honorable Jim Keffer, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1398 by Jackson, Jim (Relating to the waiver of penalties and interest on a delinquent ad valorem tax.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would require a taxing unit to waive interest if the taxes are delinquent due to actions by the taxing unit or the appraisal district, and the taxes are paid 31 days after the taxpayer knows or should know the taxes are delinquent. Currently in these instances, a taxing unit is required to waive penalties, but the waiver of interest is optional. Also current law requires the taxpayer to pay the taxes within 21 days to qualify for the waiver. Since the bill would not change taxable property values, no fiscal impact to the State is anticipated.

Local Government Impact

Those taxing units which currently do not waive interest would realize a loss of interest income. In addition, all taxing units would realize a reduction in the amount of revenue from penalties as a result of the deadline extension from 21days to 31days.

Source Agencies:

LBB Staff: JOB, SD, WP, DLBe