

By: Carona

S.B. No. 798

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to refunds of overpayments or erroneous payments of ad  
3 valorem taxes.

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

5 SECTION 1. Section 31.11, Tax Code, is amended by amending  
6 Subsections (a) and (c) and adding Subsection (i) to read as  
7 follows:

8 (a) If a taxpayer applies to the tax collector of a taxing  
9 unit for a refund of an overpayment or erroneous payment of taxes,  
10 ~~and~~ the collector ~~auditor~~ for the unit determines that the  
11 payment was erroneous or excessive, and the auditor for the unit  
12 agrees with the collector's determination, the ~~tax~~ collector  
13 shall refund the amount of the excessive or erroneous payment from  
14 available current tax collections or from funds appropriated by the  
15 unit for making refunds. However, the collector may not make the  
16 refund unless:

17 (1) in the case of a collector who collects taxes for  
18 one taxing unit, the governing body of the taxing unit also  
19 determines that the payment was erroneous or excessive and approves  
20 the refund if the amount of the refund exceeds:

21 (A) \$2,500 for a refund to be paid by a county  
22 with a population of 1.5 million or more; or

23 (B) \$500 for a refund to be paid by any other  
24 taxing unit; or

1           (2) in the case of a collector who collects taxes for  
2 more than one taxing unit, the governing body of the taxing unit  
3 that employs the collector also determines that the payment was  
4 erroneous or excessive and approves the refund if the amount of the  
5 refund exceeds \$2,500.

6           (c) Except as provided by Subsection (c-1), an application  
7 for a refund must be made within three years after the date of the  
8 payment or the taxpayer waives the right to the refund. A taxpayer  
9 may apply for a refund by filing:

10           (1) an application on a form prescribed by the  
11 comptroller by rule; or

12           (2) a written request that includes information  
13 sufficient to enable the collector and the auditor for the taxing  
14 unit and, if applicable, the governing body of the taxing unit to  
15 determine whether the taxpayer is entitled to the refund.

16           (i) Notwithstanding the other provisions of this section,  
17 in the case of an overpayment or erroneous payment of taxes  
18 submitted by a taxpayer to a collector who collects taxes for one or  
19 more taxing units one of which is a county with a population of two  
20 million or more:

21           (1) a taxpayer is not required to apply to the  
22 collector for the refund to be entitled to receive the refund if the  
23 amount of the refund is at least \$5 but does not exceed \$5,000; and

24           (2) the collector is not required to comply with  
25 Subsection (g) unless the amount of the payment exceeds by more than  
26 \$5,000 the amount of taxes owed for a tax year to a taxing unit for  
27 which the collector collects taxes.

1           SECTION 2. Subsection (c), Section 11.438, Tax Code, is  
2 amended to read as follows:

3           (c) If a late application is approved after approval of the  
4 appraisal records for a year for which the exemption is granted, the  
5 chief appraiser shall notify the collector for each taxing unit in  
6 which the property was taxable in that year. The collector shall  
7 deduct from the organization's tax bill the amount of tax imposed on  
8 the property for that year and any penalties and interest relating  
9 to that tax if the tax and related penalties and interest have not  
10 been paid. If the tax and related penalties and interest on the  
11 property for a tax year for which an exemption is granted under this  
12 section were paid under protest, the organization is eligible [~~may~~  
13 ~~apply~~] for a refund of the tax, penalties, and interest paid as  
14 provided by Section 31.11. The deadline prescribed by Section  
15 31.11(c) for applying for a refund does not apply to a refund under  
16 this section.

17           SECTION 3. This Act applies only to ad valorem taxes imposed  
18 for a tax year that begins on or after the effective date of this  
19 Act.

20           SECTION 4. This Act takes effect January 1, 2010.