

## **BILL ANALYSIS**

Senate Research Center  
82R21389 TJB-D

C.S.S.B. 641  
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Intergovernmental Relations  
4/13/2011  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

C.S.S.B. 641 amends current law relating to the calculation of interest on certain ad valorem tax refunds.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 42.43(b), Tax Code, as follows:

(b) Requires the taxing unit, for a refund made under this section, to include with the refund interest on the amount refunded calculated at an annual rate that is equal to the sum of two percent and the most recent prime rate quoted and published by the Federal Reserve Board, but not more than a total of eight percent. Deletes existing text requiring the taxing unit, for a refund made under this section because an exemption granted under Section 11.20 (Religious Organizations) that was denied by the chief appraiser or appraisal review board is granted, to include with the refund interest on the amount refunded calculated at an annual rate that is equal to the auction average rate quoted on a bank discount basis for three-month treasury bills issued by the United States government, as published by the Federal Reserve Board, for the week in which the taxes became delinquent, but not more than 10 percent. Deletes existing text requiring the taxing unit, for any other refund made under this section, to include with the refund interest on the amount refunded at an annual rate of eight percent, calculated from the delinquency date for the taxes until the date the refund is made.

SECTION 2. Makes application of the change in law made by this Act to the rate of interest on a tax refund, prospective.

SECTION 3. Effective date: September 1, 2011.