

By: Seliger

S.B. No. 641

A BILL TO BE ENTITLED

AN ACT

relating to the calculation of interest on certain ad valorem tax refunds.

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

SECTION 1. Section 42.43(b), Tax Code, is amended to read as follows:

(b) For a refund made under this section [~~because an exemption under Section 11.20 that was denied by the chief appraiser or appraisal review board is granted~~], the taxing unit shall 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, calculated from the delinquency date for the taxes until the date the refund is made. [~~For any other refund made under this section, the taxing unit shall 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. The change in law made by this Act applies only to the rate of interest on a tax refund that accrues on or after the effective date of this Act. The rate of interest on a tax refund that accrued before the effective date of this Act is determined by

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1 the law in effect when the interest accrued, and that law is
2 continued in effect for that purpose.

3 SECTION 3. This Act takes effect September 1, 2011.