

BILL ANALYSIS

C.S.H.B. 1110
By: Nevárez
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that, under current law, surviving spouses of disabled veterans are eligible to make installment payments on certain property taxes but that disabled veterans themselves are not eligible to make these same installment payments. The parties also note that if a person misses the first payment date, the installment payment option is no longer permitted.

C.S.H.B. 1110 seeks to allow disabled veterans the opportunity to make installment payments on certain property taxes and to ensure that the installment payment plan be permitted if a standard penalty is assessed on a late payment amount.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1110 amends the Tax Code to change the penalty- and interest-free installment payments by which an eligible individual is authorized to pay a taxing unit's taxes imposed on property that the person owns and occupies as a residence homestead from three equal installments following an initial payment of at least one-fourth of the taxes due made before the delinquency date to four equal installments if the first installment is paid before the delinquency date. The bill authorizes an eligible individual to pay in four equal installments if the first installment is paid and the required notice to the taxing unit of the individual's intent to pay in installments is provided before March 1. The bill includes the first installment payment as a payment considered to be delinquent and that incurs a penalty if an individual fails to make it before the applicable date. The bill removes a provision limiting the installment payment option for an individual who qualified for the residence homestead exemption for disabled veterans to an individual who qualified as the surviving spouse of a disabled veteran.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1110 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 31.031, Tax Code, is

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 31.031, Tax Code, is

83R 27100

13.123.697

Substitute Document Number: 83R 14185

amended to read as follows:

Sec. 31.031. INSTALLMENT PAYMENTS OF CERTAIN HOMESTEAD TAXES. (a)

This section applies only to:

(1) an individual who is:

(A) disabled or at least 65 years of age; and
(B) qualified for an exemption under Section 11.13(c); or

(2) an individual who is[=

~~[(A) the unmarried surviving spouse of a disabled veteran; and~~

~~[(B)]~~ qualified for an exemption under Section 11.22.

(a-1) An ~~[If before the delinquency date an]~~ individual to whom this section applies may pay ~~[pays at least one-fourth of]~~ a taxing unit's taxes imposed on property that the person owns and occupies as a residence homestead in four equal installments without penalty or interest if the first installment is paid before the delinquency date and is[=] accompanied by notice to the taxing unit that the person will pay the remaining taxes in three equal installments[= ~~the person may pay the remaining taxes without penalty or interest in three equal installments]~~. The second ~~[first]~~ installment must be paid before April 1, the third ~~[second]~~ installment before June 1, and the fourth ~~[third]~~ installment before August 1.

(a-2) Notwithstanding the deadline prescribed by Subsection (a-1) for payment of the first installment, an individual to whom this section applies may pay the taxes in four equal installments as provided by Subsection (a-1) if the first installment is paid and the required notice is provided not later than the 30th day after the delinquency date.

(b) If the individual fails to make a payment, including the first payment, before the applicable date provided by Subsection (a-1) ~~[(a)]~~, the unpaid amount is delinquent and incurs a penalty of six percent and interest as provided by Section 33.01(c). The penalty provided by Section 33.01(a) does not apply to the unpaid amount.

(c) An individual may pay more than the amount due for each installment and the amount in excess of the amount due shall be credited to the next installment. An individual may not pay less than the total amount due for each installment unless the collector provides for the acceptance of partial payments under this section. If the

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(a-2) Notwithstanding the deadline prescribed by Subsection (a-1) for payment of the first installment, an individual to whom this section applies may pay the taxes in four equal installments as provided by Subsection (a-1) if the first installment is paid and the required notice is provided before **March 1.**

(b) If the individual fails to make a payment, including the first payment, before the applicable date provided by Subsection (a-1) ~~[(a)]~~, the unpaid amount is delinquent and incurs a penalty of six percent and interest as provided by Section 33.01(c). The penalty provided by Section 33.01(a) does not apply to the unpaid amount.

(c) An individual may pay more than the amount due for each installment and the amount in excess of the amount due shall be credited to the next installment. An individual may not pay less than the total amount due for each installment unless the collector provides for the acceptance of partial payments under this section. If the

collector accepts a partial payment, penalties and interest are incurred only by the amount of each installment that remains unpaid on the applicable date provided by Subsection (a-1) [~~(a)~~].

(d) If the delinquency date for taxes to which this section applies is postponed to May 1 or a later date, the collector shall extend each installment deadline provided by Subsection (a-1) [~~(a)~~] by the number of months that the delinquency date was postponed.

SECTION 2. This Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2013.

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(d) If the delinquency date for taxes to which this section applies is postponed to May 1 or a later date, the collector shall extend each installment deadline provided by Subsection (a-1) [~~(a)~~] by the number of months that the delinquency date was postponed.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.