

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 19, 2013

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2343 by Zedler (Relating to the waiver of penalties and interest on taxes unpaid due to an act or omission of an agent of a governmental entity.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
--

The bill would amend Section 33.011, of the Tax Code, related to waiver of penalties and interest, to require a taxing unit to waive interest on a delinquent tax if an act or omission of an officer, employee, or agent of a taxing unit, appraisal district, or other political subdivision or governmental entity caused the taxpayer's failure to pay the tax before delinquency and if the tax is paid not later than the 21st day after the date the taxpayer knows or should know of the delinquency. Current law permits but does not require a taxing unit to waive interest under these circumstances.

The bill's requirement that a taxing unit waive the interest on delinquent property taxes in certain limited circumstances would create a cost to the taxing units making the waiver but the cost is not expected to be significant. Delinquent property tax interest is not included in the school finance formula, so there would be no cost to the state.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2013.

Local Government Impact

The bill's requirement that a taxing unit waive the interest on delinquent property taxes in certain limited circumstances would create a cost to local taxing units making the waiver but the cost is not expected to be significant.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS