

BILL ANALYSIS

H.B. 108
By: Murphy
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that the annual rate at which interest accrues during the deferral or abatement period in relation to the collection of property taxes on the residence homestead of an elderly or disabled person or on certain appreciating residence homesteads is too high and discourages taxpayers from taking advantage of the deferral and abatement opportunities. H.B. 108 seeks to address this issue by changing that interest rate.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 108 amends the Tax Code, in provisions effective if the constitutional amendment proposed by H.J.R. 21, 85th Legislature, Regular Session, 2017, is approved by the voters, to change the annual rate at which interest accrues during the deferral or abatement period in relation to the collection of property taxes on the residence homestead of an elderly or disabled person or on certain appreciating residence homesteads from five percent to the five-year Constant Maturity Treasury Rate reported by the Federal Reserve as of January 1 of the year in which the deferral or abatement was obtained.

H.B. 108, in provisions effective if the constitutional amendment proposed by H.J.R. 21, 85th Legislature, Regular Session, 2017, is not approved by the voters, changes the annual rate at which interest accrues during that deferral or abatement period from eight percent to the five-year Constant Maturity Treasury Rate reported by the Federal Reserve as of January 1 of the year in which the deferral or abatement was obtained.

H.B. 108 applies to interest that accrued during a deferral or abatement period before January 1, 2018, if the tax remains unpaid as of that date, and applies to interest that accrues during a deferral or abatement period on or after that date, regardless of whether the deferral or abatement period began before January 1, 2018, or begins on or after that date.

EFFECTIVE DATE

January 1, 2018.