

By: Creighton

S.B. No. 2323

A BILL TO BE ENTITLED

AN ACT

relating to the payment in installments of ad valorem taxes by members or veterans of the United States armed forces.

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

SECTION 1. Chapter 31, Tax Code, is amended by adding Section 31.033 to read as follows:

Sec. 31.033. INSTALLMENT PAYMENTS OF TAXES BY MEMBERS OR VETERANS OF THE UNITED STATES ARMED FORCES. (a) This section applies only to taxes imposed by a taxing unit in a tax year on:

(1) real property that is:

(A) the residence homestead for the tax year of a veteran or active duty service member or consists of property owned by a veteran or active duty service member that is used for residential purposes and that has fewer than five living units; or

(B) owned or leased by a business entity that on the due date for the taxes is owned by a veteran or active duty service member and that had not more in gross receipts in the entity's most recent federal tax year or state franchise tax annual period, according to the applicable federal income tax return or state franchise tax report of the entity than the limit on gross receipts calculated for the current tax year under Section 31.032(h); and

(2) tangible personal property that on the due date for the taxes is owned or leased by a business entity described by

1 Subdivision (1)(B).

2 (b) A veteran or active duty service member may pay a taxing  
3 unit's taxes imposed on property that the veteran or active duty  
4 service member owns in eight equal installments without penalty or  
5 interest if the first installment is paid before the first day of  
6 the first month that begins after the delinquency date and is  
7 accompanied by notice to the taxing unit that the veteran or active  
8 duty service member will pay the remaining taxes in seven equal  
9 installments.

10 (c) If the delinquency date is February 1, the second  
11 installment must be paid before May 1, the third installment must be  
12 paid before August 1, the fourth installment must be paid before  
13 November 1, the fifth installment must be paid before February 1 of  
14 the following year, the sixth installment must be paid before May 1  
15 of that year, the seventh installment must be paid before August 1  
16 of that year, and the eighth installment must be paid before  
17 November 1 of that year.

18 (d) If the delinquency date is a date other than February 1,  
19 the second installment must be paid before the first day of the  
20 third month after the delinquency date, the third installment must  
21 be paid before the first day of the sixth month after the  
22 delinquency date, the fourth installment must be paid before the  
23 first day of the ninth month after the delinquency date, the fifth  
24 installment must be paid before the first day of the 12th month  
25 after the delinquency date, the sixth installment must be paid  
26 before the first day of the 15th month after the delinquency date,  
27 the seventh installment must be paid before the first day of the

1 18th month after the delinquency date, and the eighth installment  
2 must be paid before the first day of the 21st month after the  
3 delinquency date.

4 (e) If the veteran or active duty service member fails to  
5 make a payment before the applicable due date provided by this  
6 section, the unpaid installment is delinquent and incurs a penalty  
7 of six percent and interest as provided by Section 33.01(c).

8 (f) A veteran or active duty service member may pay more  
9 than the amount due for each installment and the amount in excess of  
10 the amount due shall be credited to the next installment. A veteran  
11 or active duty service member may not pay less than the total amount  
12 due for each installment unless the collector provides for the  
13 acceptance of partial payments under this section. If the collector  
14 accepts a partial payment, penalties and interest are incurred only  
15 by the amount of each installment that remains unpaid on the  
16 applicable due date.

17 (g) The comptroller shall adopt rules to implement this  
18 section.

19 (h) In this section:

20 (1) "Active duty service member" means a person with  
21 full-time duty status in the active uniformed service of the United  
22 States, including members of the National Guard and Reserve on  
23 active duty orders pursuant to 10 U.S.C. Sections 1209 and 1211.

24 (2) "Veteran" means a person who has served in the  
25 army, navy, air force, coast guard, or marine corps of the United  
26 States or an auxiliary service of one of those branches of the armed  
27 forces.

1           SECTION 2. This Act applies only to ad valorem taxes for  
2 which the delinquency date is on or after the effective date of this  
3 Act.

4           SECTION 3. This Act takes effect September 1, 2019.