**BILL ANALYSIS**

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| Senate Research Center | H.B. 2530 |
| 87R7128 RDS-F | By: Ashby (Nelson) |
|  | Finance |
|  | 5/5/2021 |
|  | Engrossed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Taxpayers are entitled to interest when tax refunds and overpayments are returned from the state. The interest rate is currently determined based on the rate of interest earned on deposits in the state treasury during the month of December of the previous calendar year. However, because the amount of interest earned is the average rate for the month of December, the Comptroller of Public Accounts of the State of Texas is unable to accurately update internal systems with the new interest rate in time to implement on January 1 of each year. H.B. 2530 seeks to remedy this issue by changing the month for which the interest rate is based from December to November to allow time for systems to be updated prior to the new year.

H.B. 2530 amends current law relating to the rate of interest on certain tax refunds.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 111.064(a), Tax Code, to provide that except as otherwise provided by Section 111.064 (Interest on Refund or Credit), for a refund under Chapter 111 (Collection Procedures), interest is at the rate that is the lesser of the annual rate of interest earned on deposits in the state treasury during November, rather than during December, of the previous calendar year, as determined by the Comptroller of Public Accounts of the State of Texas, or the rate set in Section 111.060 (Interest on Delinquent Tax), and accrues on the amount found to be erroneously paid for a certain period.

SECTION 2. Effective date: September 1, 2021.