

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 11, 2021**

**TO:** Honorable Morgan Meyer, Chair, House Committee on Ways & Means

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2623** by Sanford (Relating to suits for tax refunds.), **As Introduced**

**The bill could have indeterminate negative fiscal implications by increasing the probability that tax refunds could be paid to which a taxpayer is not entitled.**

The bill would amend Chapter 112, Tax Code (Taxpayers' Suits) to provide a taxpayer the option to file a tax refund suit directly with a district court after the claim has been denied by the comptroller and bypass the hearing process at the State Office of Administrative Hearings.

The bill would remove the requirement that a taxpayer produce contemporaneous records and supporting documentation to substantiate and enable verification of claims, and would provide that the rule of res judicata applies for different liability periods.

The provisions of this bill would apply to a refund claim that is pending on or after September 1, 2021.

The provisions of the bill that provide for a procedural change would not have substantive implications for the outcomes of refund claim determinations.

The removal of the requirement that a taxpayer provide records and supporting documentation to substantiate claims, and the requirement that the rule of res judicata applies with respect to suits for different liability periods, when the facts may be different or the documentation may not be sufficient to support a refund claim, increase the probability that refunds would be paid to which a taxpayer is not entitled and have negative fiscal implications in amounts that cannot be determined.

The bill would take effect September 1, 2021.

**Local Government Impact**

The bill could have undetermined negative fiscal implications to units of local government by increasing the probability that tax refunds could be paid to which a taxpayer is not entitled.

**Source Agencies:** 304 Comptroller of Public Accounts

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