

By: Creighton

S.B. No. 1337

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the computation of certain tax penalties and interest
3 amounts.

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

5 SECTION 1. Section 111.060, Tax Code, is amended by
6 amending Subsection (a) and adding Subsection (e) to read as
7 follows:

8 (a) Subject to Subsection (e), the ~~The~~ yearly interest
9 rate on all delinquent taxes imposed by this title is at the rate of
10 12 percent for report periods originally due on or before December
11 31, 1999, after which the rate of interest is variable and
12 determined as provided in Subsection (b).

13 (e) For the purpose of computing interest under this
14 section, the amount of delinquent tax is the amount that remains due
15 after deducting any overpayments of the same tax made by the
16 taxpayer:

17 (1) for the same period during which the delinquent
18 tax was originally due; or

19 (2) for a period preceding the period described by
20 Subdivision (1).

21 SECTION 2. Section 111.061, Tax Code, is amended by adding
22 Subsection (d) to read as follows:

23 (d) For the purpose of computing penalties under this
24 section, the amount of tax due is the amount that remains due after

1 deducting any overpayments of the same tax made by the taxpayer:

2 (1) for the same period during which the failure to pay
3 the tax or file the report or other grounds for the penalty
4 occurred; or

5 (2) for a period preceding the period described by
6 Subdivision (1).

7 SECTION 3. Section 111.064, Tax Code, is amended by
8 amending Subsection (a) and adding Subsection (a-1) to read as
9 follows:

10 (a) Except as otherwise provided by this section, for a
11 refund under this chapter, interest is at the rate that is the
12 lesser of the annual rate of interest earned on deposits in the
13 state treasury during November of the previous calendar year, as
14 determined by the comptroller, or the rate set in Section 111.060,
15 and accrues on the amount of an overpayment or erroneous payment
16 that remains after deducting any underpayments under Subsection
17 (a-1) [~~found to be erroneously paid~~] for a period:

18 (1) beginning on the later of 60 days after the date of
19 payment or the due date of the tax report; and

20 (2) ending on, as determined by the comptroller,
21 either the date of allowance of credit on account of the
22 comptroller's final decision or audit or a date not more than 10
23 days before the date of the refund warrant.

24 (a-1) For the purpose of computing interest under
25 Subsection (a) for an overpayment or erroneous payment of tax, the
26 amount of the overpayment or erroneous payment is the amount that
27 remains after deducting any underpayments of the same tax made by

1 the taxpayer:

2 (1) for the same period during which the tax that was
3 overpaid or erroneously paid was originally due; or

4 (2) for a period preceding the period described by
5 Subdivision (1).

6 SECTION 4. Section 151.508, Tax Code, is amended to read as
7 follows:

8 Sec. 151.508. OFFSETS. In making a determination, the
9 comptroller shall [~~may~~] offset an overpayment for one or more
10 periods against an underpayment, penalty, and interest accrued on
11 the underpayment for the same period or one or more other periods.
12 Any interest accrued on the overpayment shall be included in the
13 offset.

14 SECTION 5. The amendments made by this Act are
15 clarifications of existing law and do not imply that existing law
16 may be construed as inconsistent with the law as amended by this
17 Act.

18 SECTION 6. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2025.