

BILL ANALYSIS

H.B. 1786
By: Murphy
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised about the fact that the rate at which taxpayers earn interest on a tax refund from the state is lower than the interest rate the state charges on delinquent taxes. H.B. 1786 seeks to provide equity and fairness for taxpayers by setting the interest rate for all tax refunds granted for a report period due on or after September 1, 2019, at the same rate as interest charged on delinquent taxes.

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. 1786 amends the Tax Code to remove statutory language setting the interest rate for a tax refund, with certain exceptions, at the lesser of the rate charged on delinquent taxes or the annual rate of interest earned on deposits in the state treasury during December of the previous calendar year, as determined by the comptroller of public accounts, and to instead set the interest rate for a tax refund granted for a report period due on or after September 1, 2019, at the rate charged on delinquent taxes. The bill clarifies the interest rates for a tax refund granted for a report period due on or after January 1, 2000, but before September 1, 2019, and clarifies the provision specifying that a tax refund granted for a report period due before January 1, 2000, does not accrue interest.

EFFECTIVE DATE

September 1, 2017.