

## **BILL ANALYSIS**

Senate Research Center  
77R6495 JRD-D

S.B. 848  
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Finance  
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As Filed

### **DIGEST AND PURPOSE**

Currently, the interest on state taxes paid under protest is held in a fund, called a “suspense” fund, until the underlying tax case is resolved. If the state wins the case, the tax payment is credited to the fund for which it was originally intended, but the interest remains in the suspense fund unavailable for the state’s operating budget. As proposed, S.B. 848 amends state law to allow this interest to be deposited into the fund to which the tax is allocated, rather than the suspense fund.

### **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 404.071(a), Government Code, by deleting language regarding the portion of funds required by other statutes to be credited on a pro rata basis to protested payments.

SECTION 2. Provides that this section applies only to the accumulated interest that remains credited to the suspense account of the comptroller into which, under former law, the comptroller deposited protested payments of taxes, fees, and penalties made as a condition of bringing suit under Chapter 430J (Suits by Persons Owning Taxes or Fees), Government Code, or Chapter 112 (Taxpayers’ Suits), Tax Code.

- (b) Requires the comptroller to transfer all remaining amounts of the accumulated interest accrued on the protested payments, on a pro rata basis, to the credit of the appropriate funds or accounts into which accrued interest on the various taxes, fees, or penalties that were protested is allocated by other law.

SECTION 3. Effective date: upon passage or on the 91st day after the last day of the legislative session.