

BILL ANALYSIS

Senate Research Center

H.B. 2832
By: Smithee (Bivins)
Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Under current law, tax collecting authorities are not required to notify a taxpayer of an overpayment. A taxpayer who makes an overpayment of taxes may submit a written request or submit a form provided by the comptroller of public accounts within three years of making the payment; failure to do so constitutes a waiver of the right to a refund. Many taxpayers in Texas are unaware that an overpayment has occurred and thus have no reason to request a refund. Currently, most jurisdictions in Texas have a mechanism in place to notify taxpayers of overpayment, but some do not. H.B. 2832 requires the collector for a taxing unit to notify a taxpayer of an overpayment of more than \$5 and sets forth provisions regarding the refund of duplicate payments.

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 31.11, Tax Code, by adding Subsection (g), to require the collector for the taxing unit, without charge, if a taxpayer submits a payment of taxes that exceeds by \$5 or more the amount of taxes owed for a tax year to a taxing unit, to mail to the taxpayer or the taxpayer's representative a written notice of the amount of the overpayment accompanied by a refund application form.

SECTION 2. Amends Chapter 31, Tax Code, by adding Section 31.111, as follows:

Sec. 31.111. REFUNDS OF DUPLICATE PAYMENTS. Requires the collector for a taxing unit who determines that a person erred in making a payment of taxes because the identical taxes were paid by another person to refund the amount of the taxes to the person who erred in making the payment. Requires a refund under this section to be made as soon as practicable after the collector discovers the erroneous payment. Requires the refund to be accompanied by a description of the property subject to the taxes sufficient to identify the property. Requires the collector, if the property is assigned an account number, to include that number. Requires the collector, each month, to inform the auditor of each appropriate taxing unit of refunds of taxes made under this section during the preceding month.

SECTION 3. Amends Sections 31.12(a) and (b), Tax Code, to add a reference to Section 31.111 and to provide that, for purposes of this section, liability for a refund arises if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous.

SECTION 4. Effective date: January 1, 2002. Makes application of this Act prospective.