

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1095
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Finance
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, taxpayers that disagree with a Texas comptroller of public account's (comptroller's) deficiency determination have 30 days from the issuance of the determination to file a petition for redetermination and obtain an administrative hearing.

The 30-day deadline cannot be waived and generally will not be extended. If a petition is not timely filed, the determination becomes final.

The compressed deadline often forces taxpayers to file boilerplate petitions that include numerous transactions and legal theories for the purpose of preserving potential claims until the taxpayer has had time to review the assessment in detail. Such petitions are inefficient and a drain on taxpayer and comptroller resources.

The 30-day deadline allows insufficient time for taxpayers to review assessments and decide whether to contest them. Extending the deadline to 90 days would allow taxpayers adequate time to review assessments and would both decrease the number of boilerplate petitions and improve the detail and quality of substantive petitions.

S.B. 1095 amends Chapter 111, Tax Code, to provide that a petition for redetermination may be filed before the expiration of 90 days after the date on which service of the notice of determination is completed. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 1095 amends current law relating to certain procedures for tax redeterminations and refund claims.

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 111.009, Tax Code, by amending Subsections (b) and (d) and adding Subsection (e), as follows:

(b) Requires that a petition for redetermination be filed before the expiration of 60 days after the date the notice of determination is issued or the redetermination is barred, rather than before the expiration of 30 days after the date on which the service of the notice of determination is completed or the redetermination is barred.

(d) Provides that an order or decision of the Texas comptroller of public accounts (comptroller) on a petition for redetermination becomes final at the time a decision or order in a contested case is final under Chapter 2001 (Administrative Procedure), Government Code, rather than becomes final 20 days after service on the petitioner of the notice of the order or decision.

(e) Provides that a taxpayer who is dissatisfied with the decision on a motion for redetermination is entitled to file a motion for rehearing in the time provided by Chapter 2001, Government Code, for filing a motion for rehearing in a contested case.

SECTION 2. Amends Sections 111.105(a), (b), and (c), Tax Code, as follows:

(a) Provides that a person claiming a refund under Section 111.104 (Refunds) is entitled to a hearing on the claim if the person requests a hearing on or before the 60th, rather than 30th, day after the date the comptroller issues a letter denying the claim for refund.

(b) Provides that a decision or order of the comptroller following a hearing on a claim for a refund becomes final at the time a decision or order in a contested case is final under Chapter 2001, Government Code, rather than provides that a decision of the comptroller following a hearing on a claim for a refund becomes final 20 days after service on the claimant of the notice of the order or decision.

(c) Provides that a tax refund claimant who is dissatisfied with the decisions on the claim is entitled to file a motion for rehearing in the time provided by Chapter 2001, Government Code, for filing a motion for rehearing in a contested case, rather than provides that a tax refund claimant who is dissatisfied with the decision on the claim is entitled to file a motion for rehearing.

SECTION 3. (a) Makes application of Section 111.009(b), Tax Code, as amended by this Act, prospective.

(b) Makes application of Sections 111.009(d) and 111.105(b) and (c), Tax Code, as amended by this Act, and Section 111.109(e), Tax Code, as added by this Act, prospective.

(c) Makes application of Section 111.105(a), Tax Code, as amended by this Act, prospective.

SECTION 4. Effective date: September 1, 2017.