

Chapter 730

S.B. No. 1095

AN ACT

relating to certain procedures for tax redeterminations and refund claims.

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

SECTION 1. Section 111.009, Tax Code, is amended by amending Subsections (b) and (d) and adding Subsection (e) to read as follows:

(b) A petition for redetermination must be filed before the expiration of 60 [~~30~~] days after the date [~~on which the service of~~] the notice of determination is issued [~~completed~~] or the redetermination is barred. If a petition for redetermination is not filed before the expiration of the period provided by this subsection, the determination is final on the expiration of the period.

(d) An order or decision of the comptroller on a petition for redetermination becomes final at the time a decision or order in a contested case is final under Chapter 2001, Government Code [~~20 days after service on the petitioner of the notice of the order or decision~~].

(e) 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. Sections 111.105(a), (b), and (c), Tax Code, are

1 amended to read as follows:

2 (a) A person claiming a refund under Section 111.104 is  
3 entitled to a hearing on the claim if the person requests a hearing  
4 on or before the 60th [~~30th~~] day after the date the comptroller  
5 issues a letter denying the claim for refund. The person is  
6 entitled to 20 days' notice of the time and place of the hearing.

7 (b) A decision or order of the comptroller following a  
8 hearing on a claim for a refund becomes final at the time a decision  
9 or order in a contested case is final under Chapter 2001, Government  
10 Code [~~20 days after service on the claimant of the notice of the~~  
11 ~~order or decision~~].

12 (c) A tax refund claimant who is dissatisfied with the  
13 decision on the claim is entitled to file a motion for rehearing in  
14 the time provided by Chapter 2001, Government Code, for filing a  
15 motion for rehearing in a contested case.

16 SECTION 3. (a) Section 111.009(b), Tax Code, as amended by  
17 this Act, applies only to a petition for redetermination in  
18 connection with a notice of determination issued on or after the  
19 effective date of this Act. A petition for redetermination in  
20 connection with a notice of determination issued before the  
21 effective date of this Act is governed by the law in effect when the  
22 notice was issued, and the former law is continued in effect for  
23 that purpose.

24 (b) Sections 111.009(d) and 111.105(b) and (c), Tax Code, as  
25 amended by this Act, and Section 111.009(e), Tax Code, as added by  
26 this Act, apply only to an order or decision signed on or after the  
27 effective date of this Act. An order or decision signed before the

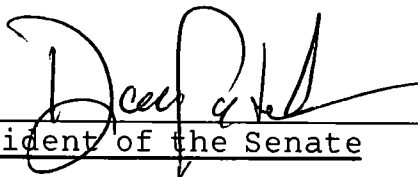
1 effective date of this Act is governed by the law in effect when the  
2 order or notice was signed, and the former law is continued in  
3 effect for that purpose.

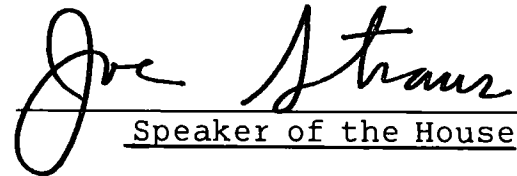
4 (c) Section 111.105(a), Tax Code, as amended by this Act,  
5 applies only to a request for a hearing in connection with a letter  
6 denying a claim for refund issued on or after the effective date of  
7 this Act. A request for a hearing in connection with a letter  
8 issued before the effective date of this Act is governed by the law  
9 in effect when the letter was issued, and the former law is  
10 continued in effect for that purpose.

11 SECTION 4. This Act takes effect September 1, 2017.

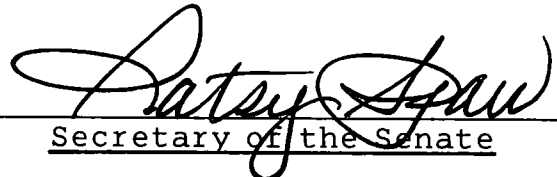
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S.B. No. 1095

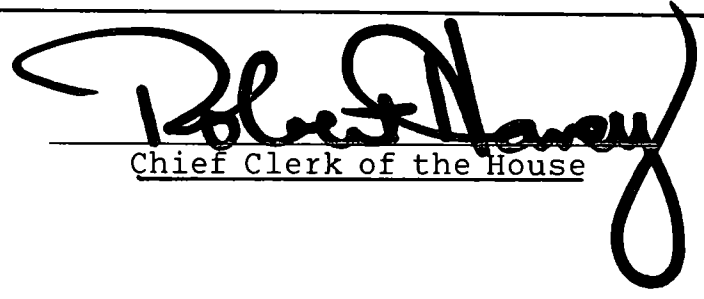
  
President of the Senate

  
Speaker of the House

I hereby certify that S.B. No. 1095 passed the Senate on May 4, 2017, by the following vote: Yeas 31, Nays 0. \_\_\_\_\_

  
Secretary of the Senate

I hereby certify that S.B. No. 1095 passed the House on May 24, 2017, by the following vote: Yeas 146, Nays 0, two present not voting. \_\_\_\_\_

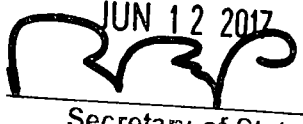
  
Chief Clerk of the House

Approved:

6-9-2017  
Date

  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
3:30 PM O'CLOCK

JUN 12 2017  
  
Secretary of State

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 24, 2017**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB1095 by Taylor, Larry (relating to certain procedures for tax redeterminations and refund claims.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend Chapter 111 of the Tax Code, regarding tax collection procedures.

Section 111.009, regarding redetermination, would be amended to extend the deadline for a taxpayer to file a petition for redetermination of a tax deficiency determination made by the Comptroller from the current 30 days to 60 days. An order or decision by the Comptroller on such a petition would become final at the time a decision or order in a contested case is final under Chapter 2001 of the Government Code (the Administrative Procedure Act); under current law an order or decision becomes final 20 days after service on the petitioner.

Section 111.105, regarding tax refund hearings, would be amended to extend the deadline for a taxpayer to request a hearing following the Comptroller's denial of a refund claim from the current 30 days to 60 days. A decision, and an order as added by the bill, of the Comptroller following a hearing becomes final at the time a decision or order in a contested case is final under Chapter 2001 of the Government Code; under current law an order or decision becomes final 20 days after service on the petitioner. The provision in current law allowing a tax refund claimant dissatisfied with the Comptroller's claim decision to file a motion for rehearing would be amended to apply the time provisions for filing a motion for rehearing in a contested case under Chapter 2001 of the Government Code.

The bill provides for additional time for petitioning for redetermination of a tax deficiency, for filing a motion for rehearing on a redetermination decision, and for requesting a hearing after denial of a refund request, but does not alter the substantive basis for determination of any tax liability. Consequently there would be no permanent implications for revenue collections. There could be effects for cash flow related to both payments of refunds and collections of deficiencies, but the net effects would be expected to be negligible.

The bill would take effect September 1, 2017.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 20, 2017**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB1095** by Taylor, Larry (Relating to the deadline to file a petition for redetermination of a tax deficiency determination made by the comptroller.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Section 111.009 of the Tax Code to extend the deadline for a taxpayer to file a petition for redetermination of a tax deficiency determination made by the Comptroller from the current 30 days to 90 days.

The bill does not amend any provisions governing the amounts of any tax liabilities. The bill could result in lengthening the time to final decision in contested cases by up to 60 days, but would affect both collections of deficiencies and payment of refunds with the effect on timing of net collections expected to be insignificant.

The bill would take effect September, 2017.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD