

By: Muñoz, Jr.

H.B. No. 3122

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the maximum amount of penalties that may be imposed for
3 delinquent taxes and tax reports and the application of taxpayer
4 payments to taxes, penalties, and interest.

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

6 SECTION 1. Subchapter B, Chapter 111, Tax Code, is amended
7 by adding Section 111.0512 to read as follows:

8 Sec. 111.0512. APPLICATION OF TAX PAYMENTS.

9 Notwithstanding any other law, the comptroller shall apply a

10 payment made by a taxpayer to the amount of tax due before applying

11 any portion of the payment to a penalty or interest owed by the

12 taxpayer unless the taxpayer provides written instructions for a

13 different application of the payment.

14 SECTION 2. Section 111.061, Tax Code, is amended by
15 amending Subsection (a) and adding Subsection (a-1) to read as
16 follows:

24 (a-1) Notwithstanding any other law, a penalty imposed on a

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1 person who fails to pay a tax imposed or file a report required by
2 Title 2 or 3 of this code when due may not exceed the amounts
3 provided by Subsection (a) and, if applicable, Subsection (b).

4 SECTION 3. Section 111.0512, Tax Code, as added by this Act,
5 applies only to a payment received on or after the effective date of
6 this Act. A payment received before the effective date of this Act
7 is governed by the law in effect on the date the payment was
8 received, and the former law is continued in effect for that
9 purpose.

10 SECTION 4. Section 111.061, Tax Code, as amended by this
11 Act, applies only to an amount of tax or a tax report that is
12 originally due on or after the effective date of this Act. A penalty
13 in connection with an amount of tax or a tax report that was
14 originally due before the effective date of this Act is governed by
15 the law in effect on the date the tax or tax report was originally
16 due, and the former law is continued in effect for that purpose.

17 SECTION 5. This Act takes effect September 1, 2023.