SENATE BILL 105:  
2021 Appropriations Act, Sec. 42.11: 
Graduate Late Payment Penalties

Committee: 
Introduced by: 
Analysis of: Sec. 42.11 of S.L. 2021-180

Date: January 26, 2022
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Staff Attorney

OVERVIEW: Section 42.11 of S.L. 2021-180 (2021 Appropriations Act) replaces the flat penalty amount assessed for failure to pay a tax when due to a graduated amount that is 2% of the tax for the first month and is increased by 2% for each succeeding month or fraction thereof, not to exceed 10%.

This section becomes effective July 1, 2022, and applies to tax assessed on or after that date.

CURRENT LAW & BILL ANALYSIS: The current flat penalty amount is equal to 10% of the tax. This section reduces the penalty amount to 2% of the tax for the first month, increased by 2% for each succeeding month or fraction thereof, not to exceed 10%.

EFFECTIVE DATE: This section becomes effective July 1, 2022, and applies to tax assessed on or after that date.