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SB 95 Reengrossed 2022 Regular Session Allain

Present law authorizes local tax collectors to enter into contracts for auditing purposes, requires the local collector to provide notice of the intent to audit to the taxpayer, and provides for notice requirements.

Proposed law retains present law and further requires the notice to advise the taxpayer that the taxpayer may request a multi-parish audit.

Present law authorizes local tax collectors to examine or investigate the place of business, the tangible personal property, and the books, records, papers, vouchers, accounts, and documents of any taxpayer for purposes of enforcing the local sales and use tax laws.

Proposed law retains present law and requires collectors to notify taxpayers of the proposed law multi-parish audit program when notifying taxpayers of their intent to conduct an examination or investigation.

Present law authorizes the Uniform Local Sales Tax Bd. to advise local sales and use tax collectors concerning the imposition, collection, and administration of local sales and use taxes and issue private letter rulings to taxpayers.

Present law provides that meetings of the board are subject to present law (Open Meetings Law–R.S. 42:11 et seq.).

Proposed law authorizes the board to hold executive sessions for the discussion of matters involving confidential taxpayer information including policy advice, private letter rulings, and multi-parish audits.

Proposed law requires that the records and files of the board held for the purpose of enforcement of the tax laws of this state be treated as confidential and subject to penalty for unauthorized disclosure.

Present law authorizes the Uniform Local Sales Tax Bd. to develop and coordinate a multi-parish audit process for taxpayers located in the state that are registered to file and remit local sales tax in three or more parishes.

Proposed law requires the board to implement and coordinate the multi-parish audit program created by proposed law.

Proposed law authorizes a taxpayer to request a multi-parish audit if the taxpayer:

1. Has a physical location in the state and is registered to file and remit local sales and use taxes in at least three parishes.

2. Is not a recipient of a jeopardy assessment issued by any collector.

3. Is not engaged in a current audit by a collector for which a notice of intent to assess was issued prior to July 1, 2022.

4. Agrees to promptly sign all necessary agreements to suspend prescription.

5. Is not involved in litigation with a collector.
Proposed law authorizes a qualified taxpayer to request a multi-parish audit from the board within 30 days from the issuance of a notice of examination from all of the parishes in which the taxpayer engaged in taxable transactions during the audit period.

Proposed law requires the board to assist the taxpayer to identify all parishes in which the taxpayer is registered to file and remit local sales and use taxes or obligated to pay sales and use taxes and to send notice of the multi-parish audit to all identified parishes. Provides that parishes have 30 days to opt in or opt out of the multi-parish audit. Further provides that if the parish collector does not respond to the notice within the 30-day period, that parish is considered to have opted out of the multi-parish audit.

Proposed law prohibits a parish that opts out of a multi-parish audit from auditing the same taxpayer until after the completion of the multi-parish audit.

Proposed law requires the board to hire and compensate the auditors who conduct multi-parish audits and requires these auditors to follow present law standards of conduct for contract auditors hired by local tax collectors and any additional audit protocols of the board. Further provides that a local collector may furnish auditors at its own expense to assist the board's auditors in conducting the multi-parish audit.

Proposed law requires the board to facilitate consistent treatment of taxability of transactions between parishes involved in a multi-parish audit.

Proposed law requires each parish participating in a multi-parish audit to review the audit and make an independent determination regarding the issuance of a notice of intent to assess. Provides that a notice of intent to assess arising from a multi-parish audit interrupts prescription for the parish issuing the notice.

Proposed law provides that after notices of intent to assess are issued, the taxpayer may request a joint administrative hearing in which the parishes that opted into the multi-parish audit may participate. Requires the board to coordinate the hearing.

Proposed law requires the board to develop audit procedures, hearing procedures, and any other provisions necessary for the implementation of the program.

Proposed law requires the board to report annually to the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means beginning Jan. 1, 2024. Provides that the report shall include the number of multi-parish audits that were requested by taxpayers and initiated in each fiscal year, the number of multi-parish audits that were completed in each fiscal year, and the number of multi-parish audits for which each parish had opted in and opted out. Provides that the report may include recommendations for legislation to streamline or improve the program and any other information the board determines to be relevant. Prohibits the report from violating any individual taxpayer's confidential information pursuant to present law (R.S. 47:1508).

Present law provides that the board shall be funded through a dedication of a percentage of the total statewide collections of local sales and use tax on motor vehicles, in accordance with certain limitations and budgetary policy. Proposed law retains present law and provides that funding shall be as provided in an agreement with local collectors.

Effective July 1, 2022.

(Amends R.S. 47:337.36, 337.102(H) and (I)(1); Adds R.S. 47:337.26(D)(1)(f) and 337.102(C)(10))
Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Requires local collectors to provide notice to taxpayers that they may request a multi-parish audit beginning July 1, 2023.

2. Provides additional requirements for taxpayer qualifications to request a multi-parish audit.

3. Authorizes a taxpayer that qualifies to request a multi-parish audit within 30 days from the issuance of a notice of examination from all of the parishes in which the taxpayer engaged in taxable transactions during the audit period.

4. Extends the decision to opt in or opt out of the multi-parish audit from 15 to 30 days.

5. Authorizes a local collector to furnish auditors at its own expense to assist the board's auditors in conducting the multi-parish audit.

6. Requires the board to report annually to the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means beginning Jan. 1, 2024.

7. Removes provisions relative to the collection of the local sales and use tax on motor vehicles subject to the Vehicle Registration License Tax Law.

Senate Floor Amendments to engrossed bill

1. Technical changes.

2. Provides that if a parish collector does not respond to a notice within the 30 day period, that parish shall be considered to have opted out of the multi-parish audit.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the reengrossed bill:

1. In provisions of proposed law requiring the local collector to inform a taxpayer in the notice of intent to audit that the taxpayer may request a multi-parish audit, remove provisions providing that the requirement begins July 1, 2023.