

RÉSUMÉ DIGEST

ACT 596 (SB 95)

2022 Regular Session

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Existing 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.

New law retains existing law and further requires the notice to advise the taxpayer that the taxpayer may request a multi-parish audit beginning July 1, 2023.

Existing 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.

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

Existing 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.

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

New 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.

New 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.

Prior law authorized 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.

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

New 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.

New 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.

New law requires the taxpayer to notify the board of 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 requires the board to send notice of the multi-parish audit to all parishes identified. 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.

New 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.

New law requires the board to hire and compensate the auditors who conduct multi-parish audits and requires these auditors to follow existing 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.

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

New 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.

New 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.

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

New 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 existing law (R.S. 47:1508).

Existing 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. New law retains existing 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))