

2025 Regular Session

HOUSE BILL NO. 500

BY REPRESENTATIVE BEAULLIEU

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/SALES & USE: Authorizes the mediation of certain tax disputes, the issuance of policy advice, and requests for private letter rulings under certain circumstances

1 AN ACT

2 To amend and reenact R.S. 47:337.51(A)(1), 337.102(D), 1401, and 1403(A)(3) and to enact
3 R.S. 47:337.51.1 and 1402(A)(3), relative to the administration and adjudication of
4 tax disputes; to provide for certain notice requirements related to assessments; to
5 authorize the mediation of certain disputes; to provide for requirements and
6 limitations related to mediation agreements; to provide for the duties and
7 responsibilities of the Louisiana Uniform Local Sales Tax Board; to provide for the
8 issuance of policy advice; to provide for requests for private letter rulings from the
9 Louisiana Uniform Local Sales Tax Board; to provide for certain reviews by the
10 Board of Tax Appeals; to provide for the responsibilities of judges on the Board of
11 Tax Appeals; to provide for effectiveness; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 47:337.51(A)(1), 337.102(D), 1401, and 1403(A)(3) are hereby
14 amended and reenacted and R.S. 47:337.51.1 and 1402(A)(3) are hereby enacted to read as
15 follows:

16 §337.51. Notice of assessment and right to appeal

17 A.(1) Having assessed the amount determined to be due, the collector shall
18 send a notice by certified mail to the taxpayer against whom the assessment is
19 imposed at the address given in the last report filed by the taxpayer, or to any address
20 obtainable from any private entity which will provide such address free of charge or

1 from any federal, state, or local government entity, including but not limited to the
2 United States Postal Service or from the United States Postal Service certified
3 software. This notice shall inform the taxpayer of the assessment and ~~that he has~~
4 ~~sixty calendar days from the date of the notice~~ the right to do any of the following:

5 (a) Pay the amount of the assessment within sixty calendar days from the
6 date of the notice.

7 (b) Appeal to the Board of Tax Appeals for redetermination of the
8 assessment within sixty calendar days from the date of the notice.

9 (c) Pay under protest in accordance with R.S. 47:337.63 within sixty
10 calendar days from the date of the notice, and then either file suit or file a petition
11 with the Board of Tax Appeals, all as provided for in that Section.

12 (d) Agree in writing with the collector to a mediation within fifteen calendar
13 days from the date of the notice pursuant to the provisions of R.S. 47:337.51.1.

14 * * *

15 §337.51.1. Mediation after assessment

16 A. A taxpayer or dealer and the collector may agree in writing to mediation
17 of any disputes relating to an assessment within fifteen calendar days from the date
18 of the notice issued pursuant to R.S. 47:337.51(A).

19 B. Any mediation agreed to by a taxpayer or dealer and the collector
20 pursuant to this Section shall be completed within forty-five calendar days of the
21 mediation agreement between the parties. The person appointed as the mediator
22 must be mutually agreed to by the taxpayer or dealer and the collector. The costs of
23 mediation shall be shared equally by the taxpayer or dealer and the collector, unless
24 all the parties specifically agree otherwise in writing.

25 C. The taxpayer, dealer, or the collector may terminate the mediation
26 agreement at any time by notifying the other party or parties in writing. Upon
27 completion or termination of the mediation agreement, the collector shall send a
28 notice of completion or termination of the mediation agreement to the taxpayer or
29 dealer in the same manner as the notice sent pursuant to R.S. 47:337.51(A) and shall

1 notify the taxpayer or dealer that he has thirty calendar days from the date the notice
2 is sent to take any action authorized in R.S. 47:337.51(A)(1)(a),(b), or (c) or (B), as
3 applicable.

4 D. The taxpayer or dealer shall have thirty calendar days from the date the
5 notice of completion or termination of the mediation agreement is sent from the
6 collector to take any action authorized in R.S. 47:337.51(A) or (B), as applicable.

7 Notwithstanding any provision to the contrary in this Section, a taxpayer or dealer
8 shall not have less than sixty calendar days from the date the notice of assessment
9 is sent to take any action authorized in R.S. 47:337.51(A) or (B), as applicable.

10 E. All mediation procedures shall be nonbinding unless all the parties
11 specifically agree otherwise in writing. The provisions of R.S. 9:4112 regarding
12 confidentiality and admissibility of oral and written communications and records
13 made during mediation shall be applicable to any mediation conducted pursuant to
14 this Section.

15 * * *

16 §337.102. Louisiana Uniform Local Sales Tax Board; creation; membership;
17 powers and duties

18 * * *

19 D. Issuance of policy advice.

20 (1)(a) The board may issue policy advice intended to provide guidance to
21 taxpayers or dealers with respect to any local sales and use tax issue. Any policy
22 advice issued after January 1, 2025, shall bind the decision or discretion of a local
23 collector subject to the provisions on this Paragraph.

24 (b) A local collector may seek a review of the policy advice within twenty
25 calendar days of the date of issuance by filing a petition to the Local Tax Division
26 of the Louisiana Board of Tax Appeals. Any policy advice that is appealed shall be
27 stayed until the appeal is resolved by final judgment.

28 (2)(a) A taxpayer or dealer may request a private letter ruling from the board
29 by sending a certified letter to the board and to the respective local tax collectors.

1 Prior to the issuance of a private letter ruling, the board may solicit additional
 2 information from the respective local tax collectors. A private letter ruling issued
 3 by the board shall be transmitted by certified mail simultaneously to both the
 4 requesting party and the respective local tax collectors. A private letter ruling shall
 5 be posted in redacted form on the board's website within ten days of its issuance.

6 ~~(2) If a request for a private letter ruling involves a single local tax collector,~~
 7 ~~the tax collector may elect to decline to participate in the private letter ruling process~~
 8 ~~provided for in this Subsection with respect to that request for a private letter ruling~~
 9 ~~by notifying the board and the requesting party within ten days of receipt of the~~
 10 ~~request. If the board receives this notification, the board shall decline the request for~~
 11 ~~the ruling.~~

12 ~~(3)(b) Except as otherwise provided in Paragraph (2) of this Subsection, a~~
 13 ~~private~~ A private letter ruling shall bind the decision or discretion of a local tax
 14 collector served with notice of the request pursuant to Subparagraph (a) of this
 15 ~~Paragraph (1) of this Subsection.~~ However, any party to the dispute may seek a
 16 review of the ruling within twenty days of the date of its certified mailing by filing
 17 a petition to the Local Tax Division of the Louisiana Board of Tax Appeals. The
 18 ~~only grounds for overturning a private letter ruling on appeal shall be that the ruling~~
 19 ~~is contrary to law or a controlling ordinance, conflicts with pre-existing~~
 20 ~~jurisprudence, or otherwise is clearly arbitrary and capricious. Any private letter~~
 21 ~~ruling that is appealed shall be stayed until the appeal is resolved by final judgment~~
 22 ~~or by settlement~~ Local Division of the Louisiana Board of Tax Appeals shall conduct
 23 a de novo review of the private letter ruling advice and the judgment rendered by the
 24 Local Division of the Louisiana Board of Tax Appeals may be appealed by either the
 25 taxpayer or the local tax collector.

26 * * *

27 §1401. Creation of Board of Tax Appeals

28 In order to provide effect to the provisions of Article V, Section 35 and
 29 Article VII, Section 3(A) of the Constitution of Louisiana, a board that will hear and

1 timely decide, at a minimum of expense to the taxpayer, questions of law and fact
 2 arising from disputes or controversies between a taxpayer and any collector of the
 3 state of Louisiana or its political subdivisions in the enforcement of any tax, excise,
 4 license, permit or any other tax, fee, penalty, receipt or other law administered by a
 5 collector, and to exercise other jurisdiction as provided by law, including jurisdiction
 6 as provided for in the Uniform Local Sales Tax Code, the Board of Tax Appeals,
 7 hereinafter referred to as the "board", is created as an independent agency for the
 8 purposes of this Chapter. The Local Tax Division is created as an independent
 9 agency and authority within the board for the purposes of exercising jurisdiction over
 10 disputes involving local collectors.

11 §1402. Membership of board; qualifications; appointment; term; vacancy; salary

12 A.

13 * * *

14 (3) Members shall adhere to the Code of Judicial Conduct.

15 * * *

16 §1403. Designation of officers; domicile; quorum; seal

17 A.

18 * * *

19 (3) Notwithstanding any provision of law to the contrary, the member
 20 appointed pursuant to R.S. 47:1402(D) shall be the hearing judge of the Local Tax
 21 Division of the board. For the purposes of the Local Tax Division, the judge shall
 22 exercise all jurisdiction, authority, and powers of the board and its chairman,
 23 including the hearing of cases to be adjudicated in the division and the rendering of
 24 orders and judgments in such cases. The hearing of cases shall be allotted to judges
 25 solely on a random basis.

26 * * *

27 Section 2. This Act shall become effective upon signature by the governor or, if not
 28 signed by the governor, upon expiration of the time for bills to become law without signature
 29 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

- 1 vetoed by the governor and subsequently approved by the legislature, the provisions of this
- 2 Section shall become effective on the day following such approval.
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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 500 Re-Reengrossed

2025 Regular Session

Beaulieu

Abstract: Authorizes the mediation of certain tax disputes, the issuance of policy advice and private letter rulings from the La. Uniform Local Sales Tax Board (BTA).

Present law requires an assessor to send notice by certified mail to a taxpayer after determining that an assessment is owed at the taxpayer's last known address or other address obtainable from any private entity or any federal, state, or local government entity. The notice is required to inform the taxpayer of the assessment and that he has 60 calendar days from the date of the notice to pay the amount of the assessment, appeal to the Board of Tax Appeals (BTA) for redetermination of the assessment, or pay under protest.

Proposed law retains present law but adds the limitation of 60 calendar days for the taxpayer to take action from the date notice to all of the actions available to the taxpayer.

Proposed law authorizes a taxpayer or dealer and the collector to agree in writing to mediation of any disputes relating to an assessment within 15 calendar days from the date of the notice issued pursuant to present law. Any mediation agreed to by the parties must be completed within 45 calendar days of the mediation agreement, the mediator must be mutually agreed to by the parties, and all costs of mediation are to be shared equally by the parties, unless all the parties specifically agree otherwise in writing.

Proposed law authorizes any party to the mediation to terminate the mediation agreement at any time by notifying the other parties in writing. When the mediation agreement is completed or terminated, the collector shall send a notice of completion or termination of the mediation agreement to the taxpayer or dealer pursuant to the provisions of present law and shall notify the taxpayer or dealer that he has 30 calendar days from the date the notice is sent to pay the amount of the assessment, appeal to the BTA for redetermination of the assessment, or pay under protest. In no case shall a taxpayer have less than 60 calendar days from the date the notice of assessment is sent to take this action.

Proposed law provides that all mediation procedures shall be nonbinding unless the parties specifically agree otherwise in writing. Further provides that present law requirements regarding confidentiality and admissibility of oral and written communications and records made during mediation shall be applicable to any mediation conducted pursuant to proposed law.

Present law provides for the establishment of the La. Uniform Local Sales Tax Board (board) to support and advise local sales and use tax collectors concerning the imposition, collection, and administration of local sales and use taxes and to issue policy advice on matters concerning the imposition, collection, and administration of local sales and use tax.

Present law authorizes the board to issue policy advice intended to provide guidance to taxpayers or dealers with respect to any local sales and use tax issue. A taxpayer or dealer may request a private letter ruling from the board by sending a certified letter to the board and to the respective local tax collectors. If a request for a private letter ruling involves a single local tax collector, the tax collector may elect to decline to participate in the private

letter ruling process by notifying the board and the requesting party within 10 days of receipt of the request. If the board receives this notification, the board shall decline the request for the ruling.

Present law provides that a private letter ruling shall bind the decision or discretion of a local tax collector; however, a party to the dispute may seek a review of the ruling within 20 days of the date of its certified mailing by filing a petition to the Local Tax Division of the BTA. The only grounds for overturning a private letter ruling on appeal shall be that the ruling is contrary to law or a controlling ordinance, conflicts with pre-existing jurisprudence, or otherwise is clearly arbitrary and capricious. Any private letter ruling that is appealed shall be stayed until the appeal is resolved by final judgment or by settlement.

Proposed law changes present law by providing that any policy advice issued after Jan. 1, 2025, shall bind the decision or discretion of a local collector except that a local collector may seek a review of the policy advice within 20 *calendar* days of the date of issuance by filing a petition to the Local Tax Division of the BTA. Further requires the Local Division of the BTA to conduct a de novo review of the private letter ruling advice and the judgment rendered by the Local Division of the BTA may be appealed by either the taxpayer or the local tax collector.

Proposed law retains requirement that if a policy advice is appealed, the matter is stayed until the appeal is resolved by final judgment.

Proposed law repeals authorization that if a request for a private letter ruling involves a single local tax collector, the tax collector may elect to decline to participate in the private letter ruling process by notifying the board and the requesting party within 10 days of receipt of the request.

Present law provides for the establishment of the BTA to hear and decide, at minimum expense to the taxpayer, questions of law and fact arising from disputes or controversies between a taxpayer and state and local collectors in the enforcement of any tax, excise, license, permit or any other tax, fee, penalty, receipt or other law administered by a collector, and to exercise other jurisdiction as provided in present law.

Proposed law retains present law but specifies that the BTA shall *timely* hear and decide questions of law and fact arising from disputes or controversies between taxpayers and state and local collectors.

Present law provides for the membership, terms, and duties of members of the BTA. The BTA shall be composed of three members who shall be attorneys with tax law experience and who shall be qualified electors of the state. At least two board members shall be certified as a Tax Law Specialist by the La. Board of Legal Specialization or possess a Masters of Law in Taxation or Tax Law. Each member shall be appointed by the governor.

Present law provides that members of the BTA shall be hearing judges of the Local Tax Division of the BTA and shall exercise all jurisdiction, authority, and powers of the board and its chairman, including the hearing of cases to be adjudicated in the division and the rendering of orders and judgments.

Proposed law retains present law adds a requirement that members of the BTA adhere to the Code of Judicial Conduct.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:337.51(A)(1), 337.102(D), 1401, and 1403(A)(3); Adds R.S. 47:337.51.1 and 1402(A)(3))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Make effectiveness of proposed law subject to appropriation of monies by the legislature for the implementation of proposed law.
2. Remove provisions establishing specific dates for appointment and terms of new members. Add provisions establishing time periods from effective date of proposed law for appointments and terms.

The House Floor Amendments to the reengrossed bill:

1. Delete provisions of proposed law relative to the qualifications, appointments, and terms of members of the Board of Tax Appeals.
2. Delete provisions authorizing the appointment of an additional judge on the Board of Tax Appeals.
3. Change the effectiveness of proposed law from subject to appropriation of monies by the legislature for the implementation of proposed law to governor's signature.