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DIGEST

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SB 239 Engrossed

2018 Regular Session

Morrell

Proposed law authorizes the secretary of the Dept. of Revenue (DOR) to refuse to register or issue or may revoke a state sales tax resale certificate to a reorganized business when the intent of the reorganization is to evade sales and use tax or withholding tax when the taxes have been collected and not remitted to the DOR.

Proposed law defines reorganization as a transfer of assets between businesses with significant shared ownership or management, a mere change in ownership form, or significant shared features between the old and new business.

Proposed law requires that all tax, interest, and penalty due be paid before the business will be registered or the resale certificate will be issued.

Proposed law imposes a penalty of \$5,000 for a reorganization of a business with the purpose of evading taxes that were collected but not remitted to DOR.

Effective on July 1, 2018.

(Adds R.S. 47:1574.2)

Summary of Amendments Adopted by Senate

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

1. Adds secretary authority to revoke a state sales tax resale certificate.
2. Changes the penalties for a reorganization of a business with the purpose of evading taxes.
3. Adds July 1, 2018, effective date.

Summary of Amendments Adopted by House

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

1. Clarify that the provisions of proposed law apply to businesses which reorganize to evade the payment of taxes that have been collected but not remitted to the DOR.