
 DIGEST

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SB 237 Reengrossed

2018 Regular Session

Morrell

Proposed law requires that any return, report, claim for refund or other claim prepared by a paid preparer be signed by the preparer and bear his preparer tax identification number, federal employer identification number, or Dept. of Revenue (DOR) account number.

Failure to sign the return, report, claim for refund, or other claim or provide one of the identification numbers required under proposed law subjects the preparer to a penalty of \$50 for each failure to sign and for each failure to provide one of the required identification numbers unless the failure is due to reasonable cause. Provides that this penalty not exceed \$25,000 during any calendar year and that the penalty is an obligation to be assessed, collected, and enforced against the paid preparer in the same manner as if it were a tax due.

Proposed law applies to any return, report, claim for refund, or other claim prepared by a paid preparer as follows:

- (1) For income taxes, all taxable periods ending on or after June 30, 2018, and filed on or after Jan. 1, 2019.
- (2) For corporation franchise tax, all taxable periods ending on or after June 30, 2018, and filed on or after Jan. 1, 2019.
- (3) For taxes other than income and corporation franchise taxes, all taxable periods beginning on or after July 1, 2018.
- (4) For any return, report, claim, or other filing not included in items (1) through (3) above, all filed on or after Jan. 1, 2019.

Proposed law defines a "paid preparer" as any of the following:

- (1) Any person who prepares, for compensation, any return, report, claim for refund or other claim that is filed with the secretary of the DOR.
- (2) Any person who owns or operates a business, the primary activity of which is the preparation for compensation of any return, report, claim for refund, or other claim that is filed with the DOR, and employs one or more persons in such business.
- (3) Any person who prepares a substantial portion of a return, report, claim for refund, or other claim that is filed with DOR and does not sign as the preparer, but rather has the taxpayer sign as if the return, report, claim for refund, or other claim were self-prepared.

Proposed law excludes from the definition of "paid preparer" any employee who prepares a return, report, claim for refund, or other claim for the employer by whom he is regularly and continuously employed or an attorney or other tax advisor whose association with a return, report, claim for refund, or other claim is limited to rendering advice and is not otherwise involved in preparing the return, report, claim for refund, or other claim for which the advice was rendered.

Effective July 1, 2018.

(Adds R.S. 47:1679)

Summary of Amendments Adopted by Senate

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

1. Expands bill to apply to all "preparers".
2. Removes the requirement of listing a preparers social security number from the identification requirements and adds that the La. Dept. of Revenue account number can be used.
3. Provides for application dates as to income taxes, corporate franchise taxes.

Summary of Amendments Adopted by House

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

1. Clarify the definition of "paid preparer" and exclude from the definition employees regularly and continuously employed by an employer to prepare returns or attorneys or other tax advisors whose association with a return is limited to rendering advice to a taxpayer or preparer and not otherwise involved in preparing the return for which advice was rendered.
2. Change effective date from governor's signature to July 1, 2018.