

2020 Regular Session

SENATE BILL NO. 205

BY SENATOR ALLAIN

TAX/INCOME/PERSONAL. Defines the term final determination for purposes of reporting federal income tax adjustments. (1/1/21)

1 AN ACT

2 To amend and reenact R.S. 47:287.614(C), relative to the reporting of federal income tax
3 adjustments; to define the term final determination; to provide for an effective date;
4 and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:287.614(C) is hereby amended and reenacted to read as follows:

7 §287.614. Time and place for filing returns; information concerning federal return;
8 extension of time to file

9 * * *

10 C.(1) Any corporation whose federal income tax return is adjusted by the
11 Internal Revenue Service shall file an amended return within one hundred eighty
12 days of the final determination of such adjustments from the Internal Revenue
13 Service.

14 (2) For purposes of this Subsection, "final determination" shall mean
15 any of the following:

16 (a) The taxpayer's execution of federal Form 870, or its equivalent,
17 agreeing to the final and complete disposition of all deficiencies or

1 overassessments. If the agreement is subject to final approval by the Internal
 2 Revenue Service, the Joint Committee on Taxation, or the U.S. Department of
 3 Justice, the agreement shall be considered final when the taxpayer receives a
 4 copy of the agreement executed by the government.

5 (b) The expiration of the statutory time period to petition the U.S. Tax
 6 Court for a redetermination of the notice of deficiency.

7 (c) The execution of a signed closing agreement between the taxpayer
 8 and the Internal Revenue Service pursuant to Section 7121 of the Internal
 9 Revenue Code, that results in a final determination of all items in a completed
 10 federal audit.

11 (d) The issuance of a final, nonappealable decision of the U.S. Tax Court,
 12 U.S. District Court, U.S. Court of Appeals, or U.S. Federal Claims, a decision
 13 of the Supreme Court of the United States, or any of these courts' approval of
 14 a stipulation disposing of the case.

15 (e) The filing by the taxpayer of an amended federal income tax return
 16 that changes state taxable income or state tax attributes.

17 * * *

18 Section 2. This Act shall become effective on January 1, 2021.

The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Curry J. Lann.

DIGEST

SB 205 Engrossed 2020 Regular Session Allain

Present law requires taxpayers to notify the department of revenue of changes to the taxpayer's federal income tax return within 180 days of a final determination by the Internal Revenue Service.

Proposed law defines final determination to mean any of the following:

- (1) The taxpayer's execution of federal Form 870, or its equivalent, agreeing to the final and complete disposition of all outstanding issues.
- (2) The expiration of the statutory time period to petition the U.S. Tax Court for a redetermination.
- (3) The execution of a closing agreement between the taxpayer and the IRS that results in a final determination of all items in the federal audit.

- (4) The issuance of a final, nonappealable decision of the U.S. Tax Court, U.S. District Court, U.S. Court of Appeals, or U.S. Federal Claims, or a decision of the U.S. Supreme Court.
- (5) The taxpayer's filing of an amended federal income tax return that changes any state tax attribute.

Effective January 1, 2021.

(Amends R.S. 47:287.614(C))

Summary of Amendments Adopted by Senate

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

1. Provides for technical corrections.