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## DIGEST

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HB 37 Engrossed

2020 First Extraordinary Session

Harris

**Abstract:** Requires the waiver of all penalties and interest for the late filing of an individual, corporation, fiduciary, or partnership tax return or the late payment of any tax for these entities due for tax years 2019 and 2020 if the health of the taxpayer or the health of the taxpayer's third party provider for tax filing services was impacted by COVID-19.

Present law requires the assessment of interest to be added to the amount of tax due when a taxpayer fails to pay a tax on or before the day it is required to be paid. The amount of interest shall accrue at an annual rate of 3% above the judicial interest rate provided for in present law.

Present law requires the secretary of the Dept. of Revenue (DOR) to impose a penalty in addition to any other penalty when a taxpayer fails to make and file any return required to be made in accordance with present law before the time that the return becomes delinquent or when a taxpayer fails to timely remit to the secretary of DOR the total amount of tax that is due on a return which he has filed. The amount of the penalty varies depending on the length of time the deficiency continues.

Proposed law changes present law by establishing a limited period in which the secretary of DOR is required to waive all penalties and interest for the late filing of an individual, corporation, fiduciary, or partnership tax return or the late payment of any individual, corporation, fiduciary, or partnership tax due for tax years 2019 and 2020. The waiver provided for in proposed law shall not apply to any individual, corporation, fiduciary or partnership tax return filed after July 15, 2020, or the late payment of any individual, corporation, fiduciary or partnership tax payment submitted after July 15, 2020.

Proposed law restricts the provisions of proposed law to taxpayers whose health was impacted by COVID-19 or taxpayers who relied on a third party provider for tax filing services whose health was impacted by COVID-19. Further requires taxpayers claiming the waiver to provide documentation to DOR evidencing the COVID-19 impact on their health or the health of their third party provider for filing services.

Effective July 1, 2020.

(Adds R.S. 47:1602.2)

### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original

bill:

1. Change the tax year in which proposed law applies from tax year 2019 to tax years 2019 and 2020.
2. Restrict applicability of proposed law to taxpayers whose health was impacted by COVID-19 or third party providers that the taxpayer relied on to prepare the return was impacted by COVID-19.
3. Require taxpayers claiming the waiver to provide documentation to DOR evidencing the COVID-19 impact on their health or the health of their third party provider for filing services.