

2022 Regular Session

HOUSE BILL NO. 241

BY REPRESENTATIVE RISER

LABOR: Provides relative to the Fresh Start Proper Worker Classification Initiative

1 AN ACT

2 To amend and reenact R.S. 23:1772(A)(1) and (C), relative to the Fresh Start Proper Worker
3 Classification Initiative; to provide for an application period; to require the payment
4 of unemployment taxes and interest; to provide for the forgiveness of penalties; to
5 allow for a payment schedule; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 23:1772(A)(1) and (C) are hereby amended and reenacted to read as
8 follows:

9 §1772. Fresh Start Proper Worker Classification Initiative

10 A. The Fresh Start Proper Worker Classification Initiative is optional and
11 provides a taxpayer with an opportunity to voluntarily reclassify his worker as an
12 employee for a future tax period. To be eligible, a taxpayer shall meet all of the
13 following requirements:

14 (1) Apply to the Fresh Start Proper Worker Classification Initiative between
15 January 1, ~~2022~~ 2023, and December 31, ~~2022~~ 2023.

16 * * *

17 C.(1) An eligible taxpayer that participates in the Fresh Start Proper Worker
18 Classification Initiative agrees to prospectively treat the class or classes of workers
19 identified in the application as employees for future tax periods and is not liable for
20 any withholding tax, ~~unemployment tax~~, interest, or penalties with respect to any

1 amounts paid to any workers before the date on which the taxpayer is accepted for
2 participation in the Fresh Start Proper Worker Classification Initiative.

3 (2) Notwithstanding any other provision of law to the contrary, an eligible
4 taxpayer shall remain obligated for all unemployment taxes and interest due for any
5 applicable look-back period but he shall not be liable for any penalties otherwise
6 related thereto.

7 (3) An eligible taxpayer may request that the Louisiana Workforce
8 Commission develop with the taxpayer a reasonable payment schedule for
9 unemployment taxes owed for the look-back period.

10 * * *

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 241 Original

2022 Regular Session

Riser

Abstract: Provides relative to the Fresh Start Proper Worker Classification Initiative.

Present law provides that the Fresh Start Proper Worker Classification Initiative is optional and provides a taxpayer with an opportunity to voluntarily reclassify a worker as an employee for a future tax period. Present law further provides that in order to be eligible, a taxpayer shall meet all of the following requirements:

- (1) Apply to the Fresh Start Proper Worker Classification Initiative between Jan. 1, 2022, and Dec. 31, 2022.
- (2) Produce a certificate of proof of workers' compensation coverage for the employee.
- (3) Enter into a closing agreement with the La. Workforce Commission (LWC) and the La. Dept. of Revenue.

Proposed law changes the time frame for applying to the initiative from Jan.1, 2022 through Dec. 31, 2022, to between Jan. 1, 2023, through Dec. 31, 2023. Proposed law otherwise retains present law.

Present law provides that an eligible taxpayer that participates in the initiative agrees to prospectively treat the class or classes of workers identified in the application as employees for future tax periods. Present law further provides that the taxpayer is not liable for any withholding tax, unemployment tax, interest, or penalties with respect to any amounts paid to any workers before the date on which the taxpayer is accepted into the initiative.

Proposed law provides that the taxpayer is liable for any unemployment tax. Proposed law otherwise retains present law.

Proposed law provides that an eligible taxpayer shall remain obligated for all unemployment taxes and interest due for any applicable look-back period; however, he shall not be liable for any penalties.

Proposed law provides that an eligible taxpayer may request that LWC develop with the taxpayer a reasonable payment schedule for unemployment taxes owed for the look-back period.

(Amends R.S. 23:1772(A)(1) and (C))