

SENATE BILL NO. 95

BY SENATOR ALLAIN

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AN ACT

To amend and reenact R.S. 47:337.102(H) and (I)(1) and to enact R.S. 47:337.26(D)(1)(f) and 337.102(C)(10), relative to the Uniform Local Sales Tax Board; to create a multi-parish audit program; to provide for confidentiality of taxpayer information; to provide for the operations of the program; to provide relative to the funding of the board; to provide for reporting on the program to legislative committees; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:337.102(H) and (I)(1) are hereby amended and reenacted and R.S. 47:337.26(D)(1)(f) and 337.102(C)(10) are hereby enacted to read as follows:

§337.26. Contracts for purposes relating to collection of sales and use taxes

\* \* \*

D.(1) Prior to initiating an examination or audit of a taxpayer, the local collector shall provide notice of the intent to audit which shall be sent by certified mail to the taxpayer at the taxpayer's last known address. Such notice shall:

\* \* \*

**(f) Beginning July 1, 2023, the notice shall advise the taxpayer that the taxpayer may request a multi-parish audit pursuant to R.S. 47:337.102.**

\* \* \*

§337.102. Louisiana Uniform Local Sales Tax Board; creation; membership; powers and duties

\* \* \*

C. Powers and duties of the board. The board may:

\* \* \*

**(10) Hold an executive session pursuant to R.S. 42:16 for any of the**

1 reasons contained in R.S. 42:17 and for the discussion of matters involving  
 2 confidential taxpayer information including policy advice, private letter rulings,  
 3 multi-parish audits, or other matters. The records and files of the board held  
 4 for the purpose of enforcement of the tax laws of this state and its political  
 5 subdivisions shall be considered to be the files and records of a political  
 6 subdivision of the state subject to the provisions of R.S. 47:1508 in the same  
 7 manner as any other political subdivision enforcing tax laws related to sales and  
 8 use taxes.

9 \* \* \*

10 H. Multi-parish audits.

11 (1) The Beginning July 1, 2022, the board may develop a coordinated shall  
 12 implement and coordinate the multi-parish audit process which program.

13 (2) Multi-parish audit program.

14 (a) A multi-parish audit may be requested by a taxpayer having a location  
 15 that:

16 (i) Has a location in the state and registered to file and remit local sales and  
 17 use taxes pursuant to a local ordinance in at least three parishes.

18 (ii) Is not a recipient of a jeopardy assessment issued by any collector.

19 (iii) Is not engaged in a current audit by a collector for which a notice of  
 20 intent to assess was issued prior to July 1, 2022.

21 (iv) Agrees to promptly sign all necessary agreements to suspend  
 22 prescription.

23 (v) Is not involved in any litigation with any collector. If a coordinated  
 24 multi-parish audit program is developed, the program shall be implemented through  
 25 a pilot program prior to statewide availability.

26 (b)(i) A taxpayer that qualifies may request a multi-parish audit from the  
 27 board within thirty days from the issuance of a notice of examination from all  
 28 of the parishes in which the taxpayer engaged in taxable transactions during the  
 29 audit period.

30 (ii) The taxpayer shall notify the board of all parishes in which the

1 taxpayer is registered to file and remit local sales and use taxes or obligated to  
2 pay sales or use tax. The board shall send a notice of the multi-parish audit to  
3 all parishes identified. Parishes shall have thirty days from the date of the notice  
4 to opt in or out of the multi-parish audit. If the parish collector does not  
5 respond to the notice within the thirty-day period, that parish shall be  
6 considered to have opted out of the multi-parish audit.

7 (iii) Any parish identified by the taxpayer that opts out of a multi-parish  
8 audit shall be prohibited from auditing the requesting taxpayer until after the  
9 completion of the multi-parish audit. This prohibition shall not apply to  
10 parishes that the taxpayer failed to disclose to the board.

11 (c) The board shall select and compensate the auditors who will conduct  
12 the multi-parish audit. Nothing in this Subsection shall prevent a local collector  
13 from furnishing auditors at its own expense to assist the board's auditors in  
14 conducting the multi-parish audit. All auditors participating in the multi-parish  
15 audit shall be bound by R.S. 47:337.26 and any audit protocols required by the  
16 board.

17 (d) The board shall facilitate consistent treatment of taxability of  
18 transactions between parishes involved in a multi-parish audit.

19 (e)(i) Each parish shall review the completed audit and shall make an  
20 independent determination regarding the issuance of a notice of intent to assess  
21 within forty-five days of receipt of the completed audit.

22 (ii) Notwithstanding any provision of law to the contrary, a notice of  
23 intent to assess arising from a multi-parish audit shall interrupt prescription for  
24 the parish issuing the notice of intent to assess.

25 (iii) The board shall notify any parish that opted out of the multi-parish  
26 audit that the audit has been completed within thirty days of the completion of  
27 the audit.

28 (f) After the issuance of the notices of intent to assess, the taxpayer may  
29 request a joint administrative hearing in which all parishes that opted into the  
30 multi-parish audit may participate. The board shall coordinate the hearing.

1                    (g) The board shall develop audit procedures, hearing procedures, and  
 2                    any other provision necessary for the implementation of the multi-parish audit  
 3                    program.

4                    (3) Beginning January 1, 2024, the board shall report annually to the  
 5                    Senate Committee on Revenue and Fiscal Affairs and the House Committee on  
 6                    Ways and Means on the multi-parish audit program. The report shall include  
 7                    the number of multi-parish audits that were requested by taxpayers and  
 8                    initiated in each fiscal year, the number of multi-parish audits that were  
 9                    completed in each fiscal year, and the number of multi-parish audits for which  
 10                    each parish had opted in and opted out. The report may include  
 11                    recommendations for legislation to streamline or improve the program and any  
 12                    other information the board determines to be relevant. The report prepared  
 13                    and provided pursuant to this Paragraph shall not violate any individual  
 14                    taxpayer's confidential information under R.S. 47:1508.

15                    I. Funding. (1) The board shall be funded through a dedication of a  
 16                    percentage of the total statewide collections of local sales and use tax on motor  
 17                    vehicles, as provided for in an agreement with local collectors and in accordance  
 18                    with the limitations provided in this Paragraph and the budgetary policy as provided  
 19                    in Paragraph (2) of this Subsection. Monies shall be payable monthly from the  
 20                    current collections of the tax. The dedication shall be considered a cost of collection  
 21                    and shall be deducted by the state and disbursed to the board prior to distribution of  
 22                    tax collections to local taxing authorities. The dedication shall be in addition to any  
 23                    fee imposed by the office of motor vehicles for the collection of the local sales and  
 24                    use tax on motor vehicles. The amount to be disbursed to the board in any fiscal year  
 25                    after Fiscal Year 2018-2019 shall not, under any circumstances and notwithstanding  
 26                    any budget adopted by the board, exceed the following:

27                    ~~(a) In Fiscal Year 2017-2018, one-fifth of one percent of the collections.~~

28                    ~~(b) In Fiscal Year 2018-2019, one-quarter of one percent of the collections.~~

29                    ~~(c) In Fiscal Year 2019-2020 and each fiscal year thereafter, three-tenths of~~  
 30                    one percent of the collections.

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Section 2. This Act shall become effective on July 1, 2022; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval by the legislature or July 1, 2022, whichever is later.

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PRESIDENT OF THE SENATE

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_