The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 8 Engrossed 2023 Regular Session Luneau

Present law provides for the payment of local sales and use taxes paid under protest and authorizes interest on refunds in a suit to recover the amount paid under protest.

Present law requires taxes paid under protest be placed in an escrow account and held by the collector until the principle of law involved has been finally determined by the courts, the Board of Tax Appeals, or by a final judgment of a court upon a timely appeal of a decision of the Board of Tax Appeals.

Present law provides that if the collector has deposited the payment under protest into an interest bearing account that interest paid to the prevailing party after final judgement is limited to the interest that is actually earned in that account.

Present law provides that when the collector deposits the payment under protest into a non-interest bearing escrow account, the interest paid by the party that does not prevail will be at the rate applicable to all unpaid taxes, not to exceed 12% per year.

Proposed law changes the applicable interest rate to the judicial interest rate.

Proposed law eliminates the requirement that the taxpayer making the payment under protest pay additional interest.

Effective August 1, 2023.

(Amends R.S. 47:337.63(A)(3))