

GREEN SHEET REDIGEST

HB 500

2025 Regular Session

Beaulieu

TAX/SALES & USE: Authorizes the mediation of certain tax disputes, the issuance of policy advice, and requests for private letter rulings under certain circumstances.

DIGEST

Present law requires an assessor to send notice by certified mail to a taxpayer after determining that an assessment is owed at the taxpayer's last known address or other address obtainable from any private entity or any federal, state, or local government entity. The notice is required to inform the taxpayer of the assessment and that he has 60 calendar days from the date of the notice to pay the amount of the assessment, appeal to the Board of Tax Appeals (BTA) for redetermination of the assessment, or pay under protest.

Proposed law retains present law but adds the limitation of 60 calendar days for the taxpayer to take action from the date notice to all of the actions available to the taxpayer.

Proposed law authorizes a taxpayer or dealer and the collector to agree in writing to mediation of any disputes relating to an assessment within 15 calendar days from the date of the notice issued pursuant to present law. Any mediation agreed to by the parties must be completed within 45 calendar days of the mediation agreement, the mediator must be mutually agreed to by the parties, and all costs of mediation are to be shared equally by the parties, unless all the parties specifically agree otherwise in writing.

Proposed law authorizes any party to the mediation to terminate the mediation agreement at any time by notifying the other parties in writing. When the mediation agreement is completed or terminated, the collector shall send a notice of completion or termination of the mediation agreement to the taxpayer or dealer pursuant to the provisions of present law and shall notify the taxpayer or dealer that he has 30 calendar days from the date the notice is sent to pay the amount of the assessment, appeal to the BTA for redetermination of the assessment, or pay under protest. In no case shall a taxpayer have less than 60 calendar days from the date the notice of assessment is sent to take this action.

Proposed law provides that all mediation procedures shall be nonbinding unless the parties specifically agree otherwise in writing. Further provides that present law requirements regarding confidentiality and admissibility of oral and written communications and records made during mediation shall be applicable to any mediation conducted pursuant to proposed law.

Present law provides for the establishment of the La. Uniform Local Sales Tax Board (board) to support and advise local sales and use tax collectors concerning the imposition, collection, and administration of local sales and use taxes and to issue policy advice on matters concerning the imposition, collection, and administration of local sales and use tax.

Present law authorizes the board to issue policy advice intended to provide guidance to taxpayers or dealers with respect to any local sales and use tax issue. A taxpayer or dealer may request a private letter ruling from the board by sending a certified letter to the board and to the respective local tax collectors. If a request for a private letter ruling involves a single local tax collector, the tax collector may elect to decline to participate in the private letter ruling process by notifying the board and the requesting party within 10 days of receipt of the request. If the board receives this notification, the board shall decline the request for the ruling.

Present law provides that a private letter ruling shall bind the decision or discretion of a local tax collector; however, a party to the dispute may seek a review of the ruling within 20 days of the date of its certified mailing by filing a petition to the Local Tax Division of the BTA. The only grounds for overturning a private letter ruling on appeal shall be that the ruling is contrary to law or a controlling ordinance, conflicts with pre-existing jurisprudence, or otherwise is clearly arbitrary and capricious. Any private letter ruling that is appealed shall be stayed until the appeal is resolved by final judgment or by settlement.

Proposed law changes present law by providing that any policy advice issued after Jan. 1, 2025, shall bind the decision or discretion of a local collector except that a local collector may seek a review of the policy advice within 20 *calendar* days of the date of issuance by filing a petition to the Local Tax Division of the BTA. Further requires the Local Division of the BTA to conduct a de novo review of the private letter ruling advice and the judgment rendered by the Local Division of the BTA may be appealed by either the taxpayer or the local tax collector.

Proposed law retains requirement that if a policy advice is appealed, the matter is stayed until the appeal is resolved by final judgment.

Proposed law repeals authorization that if a request for a private letter ruling involves a single local tax collector, the tax collector may elect to decline to participate in the private letter ruling process by notifying the board and the requesting party within 10 days of receipt of the request.

Present law provides for the establishment of the BTA to hear and decide, at minimum expense to the taxpayer, questions of law and fact arising from disputes or controversies between a taxpayer and state and local collectors in the enforcement of any tax, excise, license, permit or any other tax, fee, penalty, receipt or other law administered by a collector, and to exercise other jurisdiction as provided in present law.

Proposed law retains present law but specifies that the BTA shall *timely* hear and decide questions of law and fact arising from disputes or controversies between taxpayers and state and local collectors.

Present law provides for the membership, terms, and duties of members of the BTA. The BTA shall be composed of three members who shall be attorneys with tax law experience and who shall be qualified electors of the state. At least two board members shall be certified as a Tax Law Specialist by the La. Board of Legal Specialization or possess a Masters of Law in Taxation or Tax Law. Each member shall be appointed by the governor.

Proposed law retains present law adds a requirement that members of the BTA adhere to Canons 1 and 3 of the Code of Judicial Conduct.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:337.51(A)(1), 337.102(D), and 1401; adds R.S. 47:337.51.1 and 1402(A)(3))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Make effectiveness of proposed law subject to appropriation of monies by the legislature for the implementation of proposed law.
2. Remove provisions establishing specific dates for appointment and terms of new members. Add provisions establishing time periods from effective date of proposed law for appointments and terms.

The House Floor Amendments to the reengrossed bill:

1. Delete provisions of proposed law relative to the qualifications, appointments, and terms of members of the Board of Tax Appeals.
2. Delete provisions authorizing the appointment of an additional judge on the Board of Tax Appeals.
3. Change the effectiveness of proposed law from subject to appropriation of monies by the legislature for the implementation of proposed law to governor's signature.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs
to the re-reengrossed bill

1. Require members of the Board of Tax Appeals to adhere to Canons 1 and 3 of the Code of Judicial Conduct.
2. Delete provision relative to the hearing of cases by the Local Tax Division.