
DIGEST

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HB 717 Reengrossed

2016 Regular Session

Stokes

Abstract: Provides for the disposition of all state taxes, interest, and penalties collected by the Dept. of Revenue and designates a portion of these collections to be self-generated revenue of the department.

Proposed law provides that beginning July 1, 2016, an amount equal to 1% of the state taxes and interest collected by or on behalf of the Dept. of Revenue (DOR) shall be designated as self-generated revenue of the department.

Proposed law requires, with respect to penalties collected by DOR, that from July 1, 2016, and thereafter, 25% of penalties be designated as self-generated revenue of DOR and the remaining balance of penalties be deposited into the state general fund.

Proposed law requires the self-generated revenues to be used by DOR for the administration and collection of taxes and for operation of the department.

Proposed law exempts the following from the provisions of proposed law:

- (1) Amounts collected by DOR required to be deposited into the Transportation Trust Fund or any other taxes required to be deposited into other special treasury funds pursuant to present constitution.
- (2) Amounts collected by DOR required to be deposited into the Tobacco Tax Medicaid Match Fund.
- (3) Motor fuel taxes, penalties, and interest collected and forwarded to another jurisdiction pursuant to the International Fuel Tax Agreement (IFTA) or any other cooperative compacts or agreements with another state or other states or provinces.
- (4) Costs of tax adjudication associated with the employment of private counsel as authorized by present law.

Present law authorizes an interagency transfer between the DOR and the Board of Tax Appeals in lieu of filing fees.

Proposed law changes present law to require rather than authorize the interagency transfer. For FY 2016-2017, fixes the amount of the monies transferred at 1/100th of 1% of taxes and fees retained

by DOR according to the official forecast adopted by the Revenue Estimating Conference. Beginning FY 2017-2018, sets the annual amount as the amount appropriated for the prior fiscal year together with any adjustment made by agreement between the secretary and the board.

Proposed law authorizes the secretary of DOR to waive any penalty imposed under present law due solely to underpayment of sales tax resulting from enactment of Act No. 25 and Act No. 26 of the 2016 First E.S. Excludes underpayments as a result of a taxpayer acting in bad faith or with intentional disregard for the laws of the state or DOR regulations from the waiver of penalties in proposed law.

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

(Amends §2 of Act No. 198 of the 2014 R.S.; Adds R.S. 47:1608 and 1609)

Summary of Amendments Adopted by House

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

1. Change the determination of the amount annually allocated to the Board of Tax Appeals.
2. Change the percentage of penalties that shall be designated as self-generated revenue of the department in FY 2016-17 and 2017-18 from an amount that is reduced over time to a fixed amount not more than 25%.
3. Add specification that proposed law also applies to taxes and interest collected by DOR pursuant to present law relative to alcoholic beverages.
4. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Exempt amounts collected by DOR required to be deposited into the Tobacco Tax Medicaid Match Fund and certain motor fuel taxes, penalties, and interest collected by DOR from the provisions of proposed law.
2. Exempt the costs of tax adjudication associated with the employment of private counsel as authorized by present law from the provisions of proposed law.
3. Authorizes the waiver of penalties imposed under present law due solely to underpayments of sales tax resulting from enactment of Act No. 25 and Act No. 26 of the 2016 First E.S. However, excludes underpayments as a result of a taxpayer acting in bad faith or with intentional disregard for the law or DOR regulations from the waiver of penalties in proposed law.

4. Change the amount of penalties collected by DOR required to be designated self-generated revenue of DOR from not more than 25% of penalties to 25% of penalties.