

2017 Regular Session

SENATE RESOLUTION NO. 157

BY SENATOR MORRELL

REVENUE DEPARTMENT. Requests the Department of Revenue to reevaluate the decision on certain BP settlements issued to certain oystermen and shrimpers.

1 A RESOLUTION

2 To urge and request the secretary of the Department of Revenue to reevaluate the taxation
3 of certain BP settlements issued to oystermen and shrimpers, to request that the
4 secretary temporarily suspend collection efforts with regard to tax assessed on the
5 BP payments to oystermen and shrimpers, and to request that the secretary assist
6 recipients of taxable BP settlement payments with abatements of penalties and
7 interest and with installment agreements and offers in compromise.

8 WHEREAS, the April 20, 2010 explosion of the Deepwater Horizon oil rig and
9 subsequent oil spill into the Gulf of Mexico led to substantial damages, particularly in the
10 form of property damage and lost income; and

11 WHEREAS, British Petroleum (BP) has made payments to compensate for property
12 damage and lost income resulting from the oil spill; and

13 WHEREAS, many payments received from the Gulf Coast Claim Fund (GCCF),
14 British Petroleum (BP), and Vessels of Opportunity Program (VOP) as a result of the BP oil
15 spill were taxable for federal income tax purposes unlike many other disaster related relief
16 payments; and

17 WHEREAS, the secretary of the Department of Revenue determined that BP
18 payments that were taxable for federal income tax purposes were taxable for state income

1 tax purposes; and

2 WHEREAS, not all recipients of BP payments that compensated for property damage
3 received Internal Revenue Service form 1099 or any other tax form indicating that the
4 payments were taxable; and

5 WHEREAS, Louisiana's once thriving oyster and shrimp industries have not yet
6 recovered from the catastrophic effects of the spill, and many oystermen and shrimpers
7 remain under significant financial burdens that have been increased due to the income tax,
8 interest, and penalties that continue to accrue until taxes are paid.

9 THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana
10 does hereby urge and request the secretary of the Department of Revenue to reevaluate the
11 taxation of BP payments issued to oystermen and shrimpers.

12 BE IT FURTHER RESOLVED that the Senate of the Legislature of Louisiana does
13 hereby urge and request the secretary to temporarily suspend collection efforts with regard
14 to tax assessed on the BP payments to oystermen and shrimpers while she reevaluates the
15 taxability of the BP payments.

16 BE IT FURTHER RESOLVED that after reevaluating the taxability of the BP
17 payments, should the secretary of the Department of Revenue determine that the payments
18 are taxable, the Senate of the Legislature of Louisiana does hereby urge and request the
19 secretary to work with the affected oystermen and shrimpers to abate interest, waive late
20 filing and delinquent payment penalties, to continue the suspension of collection efforts, and
21 to assist the affected oystermen and shrimpers with installment agreements or offers in
22 compromise.

23 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
24 secretary of the Department of Revenue.

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