

2018 Regular Session

SENATE BILL NO. 239

BY SENATOR MORRELL

REVENUE DEPARTMENT. Authorizes the Department of Revenue to refuse to issue a resale certificate to a new business if the business reorganization was intended to evade payment of sales and use or withholding tax. (gov sig)

1 AN ACT

2 To enact R.S. 47:1574.2, relative to tax administration; to authorize the Department of
3 Revenue to refuse to register or issue a sales tax clearance to a reorganized business
4 when the intent of the reorganization is to evade trust fund taxes; to provide for
5 definitions; to provide for penalties; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1574.2 is hereby enacted to read as follows:

8 **§1574.2. Business reorganization to evade taxation; refusal to register a**
9 **taxpayer or issue resale certificate**

10 **A. The department may refuse to register or to issue a sales exemption**
11 **certificate for resale pursuant to R.S. 47:301(10)(a)(i) to a business that has**
12 **reorganized if the purpose of the reorganization is to evade the payment of sales**
13 **and use taxes or withholding taxes.**

14 **B. Definitions. As used in this Section:**

15 **(1) "Evade" means the deliberate failure to pay tax, interest, and penalty**
16 **that the taxpayer knows are due.**

17 **(2) "Reorganization" means any of the following:**

be registered or the resale certificate will be issued.

Proposed law imposes a penalty of up to 25% of the tax balance due for a reorganization of a business with the purpose of evading taxes.

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

(Adds R.S. 47:1574.2)