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

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DIGEST

SB 239 Original

2018 Regular Session

Morrell

Proposed law authorizes the Department of Revenue to refuse to register or issue a sales tax clearance to a reorganized business when the intent of the reorganization is to evade sales and use tax or withholding tax.

Proposed law defines reorganization as a transfer of assets between businesses with significant shared ownership or management, a mere change in ownership form, or significant shared features between the old and new business.

Proposed law requires that all tax, interest, and penalty due be paid before the business will 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)