

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 238** SLS 18RS 572  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 11, 2018 2:02 PM	<b>Author:</b> MORRELL
<b>Dept./Agy.:</b> REVENUE	<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Enjoining Paid Tax Preparers From Certain Conduct	

REVENUE DEPARTMENT OR SEE FISC NOTE GF RV Page 1 of 1  
 Authorizes the Department of Revenue to seek to enjoin tax preparers who engage in certain conduct. (gov sig)

Current law provides that the Internal Revenue Service (IRS) has the ability to seek an injunction prohibiting a tax preparer from preparing federal tax returns or claims for refund if the preparer has engaged in certain fraudulent, deceptive, or negligent conduct that interferes with the proper administration of federal tax laws. Current law does not provide the LA Dept. of Revenue (LDR) with this ability for preparers of state tax returns.

Proposed law allows the LDR Secretary to file suit to enjoin tax preparers from engaging in certain conduct, or acting as a tax preparer in the state when certain conduct is continual or repeated.

Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

Proposed law provides that a tax preparer engaging in certain conduct, including potentially submitting returns with inflated and fraudulent refunds, may be enjoined from professional tax preparing activity in the state.

It is possible that proposed law may indirectly cause a marginal reduction in inflated returns, through improved compliance and enforcement over time. This may result in a marginal increase in net collections, although the likelihood and potential magnitude of such an increase is unknown.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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