The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by James Benton.

DIGEST

SB 237 Reengrossed

2018 Regular Session

Morrell

<u>Proposed law</u> requires that any return, report, claim for refund or other claim prepared by a paid preparer be signed by the preparer and bear his preparer tax identification number, federal employer identification number, or Louisiana Department of Revenue account number.

Failure to sign the return, report, claim for refund, or other claim or provide one of the identification numbers required under <u>proposed law</u> subjects the preparer to a penalty of \$50 for each failure to sign and for each failure to provide one of the required identification numbers unless the failure is due to reasonable cause. Provides that this penalty not exceed \$25,000 during any calendar year and that the penalty is an obligation to be assessed, collected, and enforced against the paid preparer in the same manner as if it were a tax due.

<u>Proposed law</u> applies to any return, report, claim for refund, or other claim prepared by a paid preparer as follows:

- (1) For income taxes, all taxable periods ending on or after June 30, 2018, and filed on or after January 1, 2019.
- (2) For corporation franchise tax, all taxable periods ending on or after June 30, 2018, and filed on or after January 1, 2019.
- (3) For taxes other than income and corporation franchise taxes, all taxable periods beginning on or after July 1, 2018.
- (4) For any return, report, claim, or other filing not included in items (1) through (3) above, all filed on or after January 1, 2019.

<u>Proposed law</u> defines a "paid preparer" as any person who prepares for compensation, or who employs one or more persons to prepare for compensation any return, report, claim for refund, or other claim that is filed with the secretary of the Department of Revenue. Preparation of a substantial portion of a return, report, claim for refund, or other claim is to be considered the preparation of the return, report, claim for refund, or other claim for purposes <u>proposed law</u>.

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

(Adds R.S. 47:1679)

Summary of Amendments Adopted by Senate

<u>Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to</u> <u>the original bill</u>

- 1. Expands bill to apply to all "preparers".
- 2. Removes the requirement of listing a preparers social security number from the identification requirements and adds that the La. Dept. of Revenue account number can be used.
- 3. Provides for application dates as to income taxes, corporate franchise taxes.