

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 238** SLS 18RS 572
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: April 12, 2018	6:32 PM	Author: MORRELL
Dept./Agy.: REVENUE		Analyst: Benjamin Vincent
Subject: Enjoining Paid LDR Filing Preparers From Certain Conduct		

REVENUE DEPARTMENT EG1 SEE FISC NOTE GF RV See Note Page 1 of 1
 Authorizes the Department of Revenue to seek to enjoin LDR filing 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, or other items filed with LDR.

Proposed law allows the LDR Secretary to file suit to enjoin preparers of returns, reports, claims for refund, or other claims filed with LDR from engaging in certain conduct, or acting as a preparer in the state when certain conduct is continual or repeated.

Effective July 1, 2018.

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

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

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 preparer of returns, reports, claims for refund, or other claims filed with LDR 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}

Gregory V. Albrecht
Chief Economist