SLS 20RS-255 ORIGINAL

2020 Regular Session

SENATE BILL NO. 211

BY SENATOR ALLAIN

INTEREST RATES. Changes the interest rate on refunds of state tax overpayments. (1/1/21)

1	AN ACT
2	To amend and reenact R.S. 47:1624(A)(1), relative to tax collection and administration; to
3	equalize the interest rates on unpaid taxes and refunds of tax overpayments; to
4	provide for an effective date; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 47:1624(A)(1) is hereby amended and reenacted to read as follows:
7	§1624. Interest on refunds
8	A.(1) Notwithstanding (a) Except as otherwise provided in this Section
9	and notwithstanding any other provision of law to the contrary, on all refunds or
10	credits the secretary shall compute and allow as part of the refund or credit, interest
11	at the annual rate established in R.S. 13:4202 from ninety days after the later of the
12	due date of the return, the filing date of the return or claim for refund on which the
13	overpayment is claimed, or the date the tax was paid.
14	(b) Beginning January 1, 2021, on all refunds or credits, interest shall
15	accrue at three percentage points above the annual rate established in R.S.
16	13:4202 from ninety days after the later of the due date of the return, the filing
17	date of the return or claim for refund on which the overpayment is claimed, or

## the date the tax was paid.

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(c) An overpayment shall bear no interest if it is credited to the taxpayer's account. No interest on refunds or credits shall be allowed if the secretary proves by clear and convincing evidence that a person has deliberately overpaid a tax in order to derive the benefit of the interest allowed by this Section. Payments of interest authorized by this Section shall be made from funds derived from current collections of the tax to be refunded or credited.

\* \* \*

Section 2. This Act shall become effective on January 1, 2021.

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

DIGEST 2020 Regular Session

Allain

SB 211 Original

<u>Present law</u> provides for interest on unpaid taxes as well as for interest on refunds of overpaid taxes.

Present law interest rate on refunds of overpayments is equal to the judicial interest rate.

<u>Present law</u> interest rate on payments of unpaid taxes is three percentage points above the judicial interest rate.

<u>Proposed law</u> increases the interest rate on refunds of overpayments of tax on or after January 1, 2021, to three percentage points above the judicial interest rate.

Effective January 1, 2021.

(Amends R.S. 47:1624(A)(1))