

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



Fiscal Note On: **HB 736** HLS 20RS 459

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 4, 2020	6:00 AM	<b>Author:</b> CARTER, GARY
<b>Dept./Agy.:</b> La Tax Commission		<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Authorizes the Tax Commission to order refunds		

TAX OR SEE FISC NOTE LF RV Page 1 of 1  
Authorizes the Louisiana Tax Commission to order the refund of statutory impositions declared invalid

Present law authorizes any person who has a claim against a political subdivision for ad valorem taxes erroneously paid to present the claim to the La Tax Commission within three years of the date of the payment, unless it is a homestead exemption, which may be presented within five years of the date of payment, and provides for the tax commission to make a determination within 30 days. Proposed law adds authority for any person who has a claim against a political subdivision for any statutory imposition that is declared invalid pursuant to a legal challenge to present the claim to the commission within three years of the date of the final judgment declaring the statutory imposition invalid; requires the commission to note the date of submission of the judgment by the taxpayer and to order repayment of the statutory impositions by the tax collector of the sums declared legally invalid, together with interest and courts costs and directed by the court; requires the tax collector to refund the directed sums to the taxpayer within 30 days of order by the commission, or to offer a credit to offset ad valorem tax liability or other statutory impositions owed and allows carryover of benefits between years. Proposed law is applicable to all claims of statutory impositions declared invalid by a court on or after January 2, 2020.

<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Louisiana Tax Commission reports that it is capable of absorbing any workload impact arising from proposed law with existing budgetary and personnel resources. Proposed law directs the Louisiana Tax Commission to order repayment of any statutory imposition presented by a taxpayer that was declared invalid by the courts. Any such amounts to be returned to the taxpayer will be detailed in the final judgment, to include interest and court costs if so ordered. Individual tax collectors will be required to either issue a refund or grant the taxpayer a credit to offset ad valorem tax liabilities or statutory impositions owed by the taxpayer. This will result in minor administrative costs, which are assumed to be absorbed within existing budgetary and personnel resources by tax collectors statewide. The frequency of claims made pursuant to proposed law cannot be estimated, and the aggregate workload impact is indeterminable. Any workload impact for the La Tax Commission would be paid from SGF or the statutorily dedicated Tax Commission Expense Fund. Any workload impact for tax collectors is noted as LF in this fiscal note.

**REVENUE EXPLANATION**

Proposed law directs the Louisiana Tax Commission to order repayment of any statutory imposition presented by a taxpayer that was declared invalid by the courts. Proposed law provides that in lieu of refunding the amount owed to a taxpayer, the collector may grant a credit up to the amount ordered to offset ad valorem tax liability or statutory impositions owed by the taxpayer. Any amount of unused credit shall carry over to the benefit of the taxpayer until the total amount ordered has been extinguished. Exercising this provision would presumably result in diminished revenues collected by the corresponding tax collector in lieu of the tax collector incurring expenditures associated with the refund. Such diminished tax collections could extend across multiple fiscal years depending on the amount owed in the judgment and annual taxes owed by the taxpayer. Additionally, refunds owed to a taxpayer would likely be paid from receipts collected in future taxable periods. Any such impact is indeterminable and will be dependent upon specific details native to each judgment and corresponding claim if filed.

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}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**