



# OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **SB 164** SLS 20RS 446

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 12, 2020	11:41 AM	<b>Author:</b> ALLAIN
<b>Dept./Agy.:</b> Board of Tax Appeals and Local Sales and Use Tax Collectors		<b>Analyst:</b> Marc Deshotels
<b>Subject:</b> Local Sales and Use Tax Adjudication		

TAX/LOCAL EG DECREASE LF RV See Note  
Provides relative to local sales and use tax adjudication. (7/1/20)

**Purpose of the Bill:** This bill allows taxpayers who failed to file sales and use tax reports that are assessed tax, penalty and interest charges by local tax collectors to appeal the assessments to the Board of Tax Appeals for a re-determination of the assessments. The bill also limits the use of summary proceedings for the determination of claims for taxes, penalties, interest, attorney fees and other charges by tax collectors. In addition, the bill eliminates the exclusive jurisdiction that district courts have over cases in which a tax collector files an ordinary suit against a taxpayer and the taxpayer pays under protest.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

  

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

### EXPENDITURE EXPLANATION

**This bill may increase local government expenditures by an indeterminable amount.**

Based on information from the Louisiana Association of Tax Administrators and several local tax collectors, this bill may increase travel and legal expenditures of local tax collectors as the bill allows for appeals to the Board of Tax Appeals rather than using the local courts and restricts the use of summary proceedings.

A member of the Board of Tax Appeals stated that they did not expect much of a fiscal impact on the Board of Tax Appeals as a result of this bill, if enacted.

### REVENUE EXPLANATION

**This bill may decrease or delay local government revenues by an indeterminable amount, as the bill provides for an additional means of appeal by taxpayers.** This bill may decrease local sales tax revenue by an indeterminable amount as the bill provides additional options for taxpayers to challenge the amounts owed to tax collectors, which may result in more challenges to amounts owed and additional cases going against tax collectors.

In addition, an official with the Louisiana Association of Tax Administrators stated that they thought that the bill could increase the time needed to collect disputed sales tax amounts because of restrictions on the use of summary court proceedings and that appeals to the Board of Tax Appeals would add time to the process. Therefore, revenues could be delayed. These concerns were also expressed by several local tax collectors.

#### Senate

#### Dual Referral Rules

#### House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Michael G. Battle**  
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