The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

SB 164 Reengrossed

2020 Regular Session

Allain

<u>Present law</u> requires local sales and use tax collectors to determine the tax, penalty, and interest due when a taxpayer fails to file a sales and use tax return and prohibits the taxpayer from appealing this estimated assessment to the Board of Tax Appeals.

<u>Proposed law</u> retains <u>present law</u> estimated assessment authority and allows taxpayers to consider any right pursuant to <u>proposed law</u> or other applicable law.

<u>Proposed law</u> states that if the estimated tax amount exceeds \$100,000, a taxpayer who has never filed a return or has never been the subject of any actions pursuant to collection and has no physical presence in the state may take any action authorized by <u>present law</u> within the applicable deadline for action.

<u>Present law</u> authorizes local tax collectors to collect local sales and use tax by summary court proceeding.

<u>Proposed law</u> retains the ability of local collectors to use summary proceedings to collect local sales and use taxes, but limits the use of summary proceedings to the following circumstances:

- (1) The collection of a tax assessment that has become final, a bankruptcy receiver has been appointed for the taxpayer, or the taxpayer self-assessed the amount shown due on the return.
- (2) A jeopardy assessment has been or could be issued against the taxpayer.
- (3) A rule to cease business has been or is concurrently brought against the taxpayer.
- (4) The matter involves the collector's authority to enforce collection of taxes collected from others.
- (5) A taxpayer or dealer has failed to make and file any required return or report where the collector estimates the tax due to be less than \$100,000.

<u>Proposed law</u> provides specific instructions on how collectors shall compute all refunds or credits and allow interest as part of the refund or credit.

Effective July 1, 2020.

(Amends R.S. 47:337.51(A)(2); adds R.S. 47:337.51(A)(4), 337.61(5) and 337.80(A)(4) and (D))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

- 1. Authorizes certain tax payers to protest estimated assessments with the Board of Tax Appeals.
- 2. Allows collectors to use summary court proceedings for estimated tax amount of less than \$100,000.
- 3. Provides specific instructions on how collectors shall compute all refunds or credits and allows interest as part of the refund or credit.