



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 164 SLS 20RS 446
Bill Text Version: REENGROSSED
Opp. Chamb. Action: w/ HSE FLOOR AMD
Proposed Amd.:
Sub. Bill For.:

Date: May 28, 2020 4:01 PM Author: ALLAIN
Dept./Agy.: Board of Tax Appeals and Local Sales and Use Tax Collectors
Subject: Local Sales and Use Tax Adjudication Analyst: Marc Deshotels

TAX/LOCAL REF SEE FISC NOTE LF RV See Note Page 1 of 1
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 to appeal to the Board of Tax Appeals for redetermination of the assessment under certain circumstances. This bill also limits the use of summary proceedings to specific instances, and changes the manner in which interest is calculated on refunds/credits.

Table with 7 columns: EXPENDITURES/REVENUES, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

This bill may impact local government expenditures, but the net impact is indeterminable at this time. Based on information obtained from the Louisiana Association of Tax Administrators, several local tax collectors, and related professionals, the bill could increase travel and legal expenditures of local tax collectors as the bill allows for more appeals to the Board of Tax Appeals (in certain cases) and limits the use of summary judgments in the local courts.

In addition, this attorney indicated that the bill may slightly decrease interest paid by tax collectors on refunds due to interest not accruing until 90 days after the later of the payment of the tax, the filing of the return, or the filing of a properly filed and documented refund claim.

Based on information from the Board of Tax Appeals, it appears that this bill will have minimal impact on the Board of Tax Appeals.

REVENUE EXPLANATION

This bill may slightly decrease local government revenues by an indeterminable amount, and delay collection of revenue.

Based on information from an attorney, it appears that this bill may slightly decrease tax revenue by an indeterminable amount as the bill allows certain taxpayers to appeal to the Board of Tax Appeals without first paying the tax under protest. This may result in lower collection rates on favorable judgments.

In addition, officials with the Louisiana Association of Tax Administrators, several local tax collectors' offices, and an attorney we spoke to indicated that the bill could increase the time needed to collect disputed sales tax amounts because of restrictions on the use of summary court proceedings.

A local tax collector and officials with the Louisiana Uniform Local Sales Tax Board and the Louisiana Association of Tax Administrators indicated that the House Floor Amendment, which allows 60 days instead of 30 days for taxpayers to respond to assessments, could also minimally delay some collections.

Therefore, revenues could be delayed.

- 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}

Signature of Michael G. Battle
Michael G. Battle
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