



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **SB 164** SLS 20RS 446
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 2, 2020	10:10 AM	Author: ALLAIN
Dept./Agy.: Board of Tax Appeals and Local Sales and Use Tax Collectors		Analyst: Marc Deshotels
Subject: Local Sales and Use Tax Adjudication		

TAX/LOCAL EN SEE FISC NOTE LF RV 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.

EXPENDITURES	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
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	SEE BELOW					
Annual Total						

REVENUES	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
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	SEE BELOW					
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. An attorney we spoke to indicated that parishes that currently use summary proceedings beyond the limited uses provided in the bill may see their expenditures increase due to lengthier and more expensive collection proceedings.

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.

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
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