

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 160

2021 Regular Session

Allain

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

REVENUE DEPARTMENT. Conforms state partnership reporting adjustments to federal taxable income to current federal partnership audit adjustments. (gov sig)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Makes technical amendments only.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

SB 160 Reengrossed

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Present law requires that the due date for partnership information returns for the previous calendar year is April 15th.

Proposed law changes the due date for partnership information returns to May 15th.

Present law provides that partnerships are not subject to state income tax.

Proposed law provides for an exception to present law for partnerships that make elections to pay income tax audit adjustments on behalf of their partners under proposed law.

Present law requires partnerships with nonresident members to file annual informational returns with the Dept. of Revenue.

Proposed law requires all partnerships doing business in Louisiana to file annual informational returns.

Proposed law defines "partnership" as an entity subject to taxation pursuant to Subchapter K of the Internal Revenue Code.

Proposed law provides for the reporting of partnership audit adjustments of federal taxable income to the Dept. of Revenue.

Proposed law provides for definitions.

Proposed law provides the general rule for taxpayers not using optional procedures in proposed law that a taxpayer shall report and pay any Louisiana income tax due with respect to final federal adjustments arising from an audit or other action by the IRS or reported by the taxpayer on a timely filed amended federal income tax return no later than 180 days after the final determination date.

Proposed law provides that except for negative federal adjustments and in the case where the taxpayer follows the general rule that partnerships and partners shall report final federal adjustments arising from a partnership level audit or an administrative adjustment request and make payments as required by proposed law.

Proposed law provides for the designation of a state partnership representative for the reviewed year who has the sole authority to act on behalf of the partnership and to bind all partners.

Proposed law requires that final federal adjustments be reported no later than 90 days after the final determination date and that the partnership must notify the department of the adjustments and notify the direct partners of their distributive share of the final federal adjustments.

Proposed law requires that within 180 days of the final determination date each direct partner must file a federal adjustments report with the state and pay any additional amount due.

Proposed law authorizes a partnership election under which the partnership pays any state taxes owed on federal partnership audit adjustments on behalf of its partners.

Proposed law provides that partnerships making the partnership pays election must file a federal adjustments report with the department notifying the department of its partnership pays election within 90 days of the final determination date.

Proposed law further provides that partnerships making the partnership pays election shall pay an amount in lieu of taxes owed by its partners at the highest corporate rate for corporate partners and at the highest individual income tax rate for partners that are individuals, estates, or trusts.

Proposed law provides for exclusions from state tax for certain federal adjustments.

Proposed law provides that a partnership not otherwise subject to state filing and payment obligations that makes the partnership pays election is consenting to be subject to the tax laws of this state.

Proposed law makes provisions for reporting adjustments and making payments for tiered partners.

Proposed law authorizes the secretary to provide for de minimus exceptions by rule.

Proposed law provides for prescriptive periods for the assessment of additional state tax, interest, and penalties arising from adjustments to federal taxable income.

Proposed law authorizes state estimated tax payments to be made during a federal corporation or partnership audit prior to the due date of the federal adjustments report and that any estimated payments will be credited against any state tax later determined to be due or refunded if it is determined that the estimated payment exceeded the tax liability.

Proposed law provides for procedures for claims for refund of an overpayment of tax arising from final federal adjustments made by the IRS.

Proposed law provides that any state income tax refund made to a partnership that makes the partnership pays election is in lieu of any refund that would otherwise be owed to the partners for the state adjustment.

Proposed law provides that unless the secretary and the taxpayer have a written agreement to the contrary, that all state adjustments made after a tax period prescribes are limited to tax liability changes arising from the federal adjustments for both corporations and partnerships.

Proposed law authorizes the secretary to grant extensions of time for partners and partnerships to file the federal adjustments report.

Proposed law provides that proposed law does not alter the secretary's authority to determine the correct amount of tax reportable by the taxpayer to the IRS.

Proposed law authorizes the department to provide by rule for similar procedures for state partnership audits.

Proposed law limits state adjustments to items within the scope of the federal audit.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:103(A)(2)(a) and 201; adds R.S. 47:201.2, 287.614(C)(3), and 287.657)

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