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## DIGEST

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HB 241 Original

2022 Regular Session

Riser

**Abstract:** Provides relative to the Fresh Start Proper Worker Classification Initiative.

Present law provides that the Fresh Start Proper Worker Classification Initiative is optional and provides a taxpayer with an opportunity to voluntarily reclassify a worker as an employee for a future tax period. Present law further provides that in order to be eligible, a taxpayer shall meet all of the following requirements:

- (1) Apply to the Fresh Start Proper Worker Classification Initiative between Jan. 1, 2022, and Dec. 31, 2022.
- (2) Produce a certificate of proof of workers' compensation coverage for the employee.
- (3) Enter into a closing agreement with the La. Workforce Commission (LWC) and the La. Dept. of Revenue.

Proposed law changes the time frame for applying to the initiative from Jan.1, 2022 through Dec. 31, 2022, to between Jan. 1, 2023, through Dec. 31, 2023. Proposed law otherwise retains present law.

Present law provides that an eligible taxpayer that participates in the initiative agrees to prospectively treat the class or classes of workers identified in the application as employees for future tax periods. Present law further provides that the taxpayer is not liable for any withholding tax, unemployment tax, interest, or penalties with respect to any amounts paid to any workers before the date on which the taxpayer is accepted into the initiative.

Proposed law provides that the taxpayer is liable for any unemployment tax. Proposed law otherwise retains present law.

Proposed law provides that an eligible taxpayer shall remain obligated for all unemployment taxes and interest due for any applicable look-back period; however, he shall not be liable for any penalties.

Proposed law provides that an eligible taxpayer may request that LWC develop with the taxpayer a reasonable payment schedule for unemployment taxes owed for the look-back period.

(Amends R.S. 23:1772(A)(1) and (C))

