

2022 Regular Session

SENATE BILL NO. 242

BY SENATOR ALLAIN

TAX/LOCAL. Provides relative to interest and penalties applicable to local sales and use tax. (8/1/22)

1 AN ACT

2 To amend and reenact R.S. 47:337.69(B) and 337.80(A)(4)(b) and to enact R.S.

3 47:337.69(C) and 337.70(A)(4), relative to interest and penalties applicable to local

4 sales and use tax; to provide for a limitation on the maximum interest rate on unpaid

5 taxes; to equalize interest rates for taxes due and refunds of overpayments; to provide

6 for the calculation of late filing and payment penalties; and to provide for related

7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:337.69(B) and 337.80(A)(4)(b) are hereby amended and reenacted  
10 and R.S. 47:337.69(C) and 337.70(A)(4) are hereby enacted to read as follows:

11 §337.69. Interest on unpaid taxes

12 \* \* \*

13 **B. Notwithstanding any provision of law to the contrary, for all taxes**

14 **that become due on or after January 1, 2023, the rate of interest on any amount**

15 **of outstanding tax shall not exceed one percent per month.**

16 B. ~~(C)~~ Notwithstanding any provision of this Section or of this Chapter, the

17 interest on any amount of tax outstanding on a specific date shall be computed at the

1 rate applicable on such date.

2 §337.70. Penalty for failure to make timely return

3 A. \* \* \*

4 **(4) The penalty for delinquent returns shall be computed from the due**  
5 **date until the return is filed. The penalty for failure to remit the total amount**  
6 **of tax due shall be computed from the due date until the tax is paid.**

7 \* \* \*

8 §337.80. Interest on refunds or credits

9 A. \* \* \*

10 (4) \* \* \*

11 (b)(i) Interest shall be at the average prime or reference rate as computed by  
12 the commissioner of financial institutions pursuant to R.S. 13:4202(B), per year, but  
13 without the addition of one percentage point to the average prime or reference rate  
14 and without regard to the limitations contained in R.S. 13:4202(B).

15 **(ii) Notwithstanding any provision of law to the contrary, all taxes that**  
16 **become due on or after January 1, 2023, interest shall be computed at the same**  
17 **rate established for tax obligations pursuant to R.S. 47:337.69(C).**

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Leonore Heavey.

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DIGEST

SB 242 Original

2022 Regular Session

Allain

Present law authorizes interest to be added to the amount of local sales and use tax due when a taxpayer fails to pay all or part of the tax due on or before the due date.

Proposed law provides for a maximum rate of interest for local sales and use tax of one percent per month for taxes that become due on or after Jan. 1, 2023.

Present law authorizes penalties for the late filing of local sales and use tax returns and the late payment of local sales and use tax.

Proposed law provides that the penalties for late filing and late payment accrue from the due date of the return until the return is filed and from the due date of the tax until the tax is paid.

Present law authorizes interest to be added to refunds of local sales and use tax when a taxpayer overpays the tax.

Proposed law provides that the interest rate for refunds of overpayments of local sales and use tax for taxes that become due on or after Jan. 1, 2023, will be the same rate charged on tax obligations set forth in proposed law.

Effective August 1, 2022.

(Amends R.S. 47:337.69(B) and 337.80(A)(4)(b); adds R.S. 47:337.69(C) and 337.70(A)(4))