
The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Curry J. Lann.

SB 242 Engrossed
DIGEST
2022 Regular Session
Allain

Present law provides for the remittance of taxes paid under protest and authorizes interest on refunds in a suit to recover as provided for in present law.

Proposed law authorizes interest on refunds in a suit to recover if a taxpayer prevails computed at the interest rate applicable on that date, except for payments paid under protest or an agreement to abide.

Proposed law requires a taxpayer to pay the collector additional interest calculated on the disputed amount computed at the interest rate applicable on that date in suits to recover if the collector prevails, except for payments paid under protest or an agreement to abide.

Proposed law authorizes a taxpayer, upon request of a collector and upon an agreement to abide, to remit the taxes involving the same principle of law for all current and future tax periods under protest, without requiring an additional suit or petition.

Proposed law requires the tax paid under protest to be placed in an escrow account and held by the collector until the principle of law involved has been determined by the courts, the Board of Tax Appeals, or by a final judgment of a court upon a timely appeal of a decision of the Board of Tax Appeals.

Proposed law limits the interest paid on the tax obligation to the interest that is actually earned and received by the collector on the payment when the taxpayer has pursued an appeal and the collector and the taxpayer have entered into an agreement to abide.

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 for a specific penalty of 5% of the tax owed for each 30 day period after the return was required to be filed or the tax was required to be remitted.

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.

Present law prohibits interest on refunds if it is determined that a taxpayer has deliberately overpaid a tax in order to derive the benefit of the interest.

Proposed law retains present law and further prohibits interest on refunds if it is determined that a taxpayer has not entered into an agreement to abide and the same principle of law is involved.

Effective August 1, 2022.

(Amends R.S. 47:337.63(A)(3), (D), and (E), 337.69(B), 337.70(A)(1) and (2), and 337.80(A)(4)(b) and (B); adds R.S. 47:337.69(C) and 337.70(A)(4))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Adds provisions relative to the remittance of taxes paid under protest and authorizing interest on refunds in suits to recover.
2. Limits the interest paid on the tax obligation to the interest that is actually earned and received by the collector on the payment when the taxpayer has pursued an appeal and the collector and the taxpayer have entered into an agreement to abide.
3. Authorizes a specific penalty of 5% of the tax owed for each 30 day period after the return was required to be filed or the tax was required to be remitted.
4. Prohibits interest on refunds if it is determined that a taxpayer has not entered into an agreement to abide and the same principle of law is involved.
5. Provides for technical changes.