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 DIGEST

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SB 241 Engrossed

2022 Regular Session

Allain

Present law requires the payment under protest of the disputed amount of tax when a taxpayer challenges the correctness of an ad valorem tax assessment or the legality of an ad valorem tax assessment.

Proposed law changes present law by providing that a taxpayer challenging the correctness of an assessment who has timely filed an appeal with the La. Tax Commission shall not be required to make a payment under protest or post security while the correctness challenge is pending before the commission.

Proposed law provides for an alternative method of providing security in lieu of a payment under protest in the case of a taxpayer filing a legality challenge with a court or the Board of Tax Appeals.

Proposed law authorizes the taxpayer, on or before the date on which the taxes are due, to file a rule to set bond or other security with the court or the board which shall be set for hearing within 30 days.

Proposed law authorizes the court or the board to order that a portion of the disputed amount be paid under protest and the balance secured by the posting of a bond or other security.

Proposed law authorizes the collector to file a reconventional demand against the taxpayer in the cause of action in which a bond or alternative security is provided and further provides that the collector may procure an appraisal or conduct discovery concerning the value and validity of security offered.

Proposed law requires that the posting of a bond or other security for ad valorem tax challenges shall be consistent with the provisions for providing security in connection with a suspensive appeal under present law (Code of Civil Procedure).

Proposed law does not apply to amounts of tax that are not in dispute and are not the subject of a correctness or legality challenge.

(Amends R.S. 47:2134(E)(1); Adds R.S. 47:1989(G) and 2134(F))

Summary of Amendments Adopted by Senate

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

1. Adds provision that proposed law does not apply to amounts of tax that are not in dispute and are not the subject of a correctness or legality challenge.
2. Adds internal references for clarification.
3. Provides for technical changes.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the engrossed bill:

1. Remove requirement that a taxpayer either make a payment under protest of the disputed amount of the tax or post security for the disputed amount of the tax while a correctness challenge is pending before the commission.