

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 444** SLS 22RS 1352
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 24, 2022	9:40 AM	Author: ALLAIN
Dept./Agy.: Board of Tax Appeals and Dept. of Revenue		Analyst: Prashant Sastry
Subject: Tax Collection and Administration of Occupancy Tax		

TAX/TAXATION RE1 INCREASE SG RV See Note Page 1 of 1
 Provides relative to tax administration and the Board of Tax Appeals. (2/3 - CA7s2.1(A)) (gov sig)

Proposed law provides that present law tax collection and administrative provisions shall apply to occupancy taxes collected or administered by the Louisiana Department of Revenue (LDR). Proposed law authorizes the Board of Tax Appeals (BTA) to issue protective orders to protect a party or person from annoyance, embarrassment, oppression, or under burden or expense, including orders concerning any subpoena or other discovery. Proposed law authorizes LDR to issue cease and desist orders to certain tax preparers that engage in criminal, fraudulent or frivolous conduct and can impose a penalty of \$25 per each return that fails to comply with the order; however LDR may not issue cease and desist orders to CPAs, enrolled agents, or attorneys. Proposed law authorizes the BTA to issue a temporary restraining order or preliminary injunction while a suit to enjoin is pending if the LDR Secretary shows that continued conduct by the preparer creates an immediate threat to taxpayers. Proposed law imposes a penalty of at least \$50 per violation for each return, report, or claims filed by a tax preparer who violates an injunction, cease and desist, or temporary restraining order.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law authorizes the BTA to issue protective orders and preliminary injunctions during suits that enjoin certain tax preparers. Although proposed law may result in an indeterminable impact on the workload of the BTA due to the increased scope of authority, BTA reports that it does not anticipate proposed law to have an impact on expenditures.

Also, proposed law authorizes LDR to issue cease and desist orders to tax preparers that engage in criminal and fraudulent conduct, as well as impose penalties on tax preparers that violate injunction orders. LDR reports that proposed law will have no impact on its expenditures.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in self-generated revenue to LDR. Proposed law imposes civil penalties on tax preparers as follows: (1) a \$25 civil penalty per return for each violation of the cease and desist order issued by the LDR Secretary and (2) a \$50 civil penalty per return, report or claim for refund which violates an injunction. The number of tax preparers that will be fined under this measure is unknown and the revenue impact from this penalty is indeterminable.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Interim Deputy Fiscal Officer