

RÉSUMÉ DIGEST

ACT 87 (SB 242)

2022 Regular Session

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Existing law provides for the remittance of local sales and use taxes paid under protest and authorizes interest on refunds in a suit to recover as provided for in existing law.

New law authorizes interest on refunds and assessments computed at the applicable interest rate except for payments paid under protest or an agreement to abide.

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

New 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 finally 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.

New 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.

Existing 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.

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

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

New 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.

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

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

New 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 new law.

Existing 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.

New law retains existing 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))