

2025 Regular Session

HOUSE BILL NO. 500

BY REPRESENTATIVE BEAULLIEU

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/SALES & USE: Authorizes the mediation of certain tax disputes, the issuance of policy advice, and requests for private letter rulings under certain circumstances

1 AN ACT

2 To amend and reenact R.S. 47:337.51(A)(1), 337.102(D), 1401, 1402(A) and (D)(1), and
3 1403(A)(3), (4), and (5) and (B)(6)(c) and to enact R.S. 47:337.51.1, relative to the
4 administration and adjudication of tax disputes; to provide for certain notice
5 requirements related to assessments; to authorize the mediation of certain disputes;
6 to provide for requirements and limitations related to mediation agreements; to
7 provide for the duties and responsibilities of the Louisiana Uniform Local Sales Tax
8 Board; to provide for the issuance of policy advice; to provide for requests for
9 private letter rulings from the Louisiana Uniform Local Sales Tax Board; to provide
10 for certain reviews by the Board of Tax Appeals; to provide for the qualifications,
11 appointments, and terms of members of the Board of Tax Appeals; to provide for the
12 responsibilities of judges on the Board of Tax Appeals; and to provide for related
13 matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 47:337.51(A)(1), 337.102(D), 1401, 1402(A) and (D)(1), and
16 1403(A)(3), (4), and (5) and (B)(6)(c) are hereby amended and reenacted and R.S.
17 47:337.51.1 is hereby enacted to read as follows:

18 §337.51. Notice of assessment and right to appeal

19 A.(1) Having assessed the amount determined to be due, the collector shall
20 send a notice by certified mail to the taxpayer against whom the assessment is

1 imposed at the address given in the last report filed by the taxpayer, or to any address
2 obtainable from any private entity which will provide such address free of charge or
3 from any federal, state, or local government entity, including but not limited to the
4 United States Postal Service or from the United States Postal Service certified
5 software. This notice shall inform the taxpayer of the assessment and ~~that he has~~
6 ~~sixty calendar days from the date of the notice~~ the right to do any of the following:

7 (a) Pay the amount of the assessment within sixty calendar days from the
8 date of the notice.

9 (b) Appeal to the Board of Tax Appeals for redetermination of the
10 assessment within sixty calendar days from the date of the notice.

11 (c) Pay under protest in accordance with R.S. 47:337.63 within sixty
12 calendar days from the date of the notice, and then either file suit or file a petition
13 with the Board of Tax Appeals, all as provided for in that Section.

14 (d) Agree in writing with the collector to a mediation within fifteen calendar
15 days from the date of the notice pursuant to the provisions of R.S. 47:337.51.1.

16 * * *

17 §337.51.1. Mediation after assessment

18 A. A taxpayer or dealer and the collector may agree in writing to mediation
19 of any disputes relating to an assessment within fifteen calendar days from the date
20 of the notice issued pursuant to R.S. 47:337.51(A).

21 B. Any mediation agreed to by a taxpayer or dealer and the collector
22 pursuant to this Section shall be completed within forty-five calendar days of the
23 mediation agreement between the parties. The person appointed as the mediator
24 must be mutually agreed to by the taxpayer or dealer and the collector. The costs of
25 mediation shall be shared equally by the taxpayer or dealer and the collector, unless
26 all the parties specifically agree otherwise in writing.

27 C. The taxpayer, dealer, or the collector may terminate the mediation
28 agreement at any time by notifying the other party or parties in writing. Upon
29 completion or termination of the mediation agreement, the collector shall send a

notice of completion or termination of the mediation agreement to the taxpayer or dealer in the same manner as the notice sent pursuant to R.S. 47:337.51(A) and shall notify the taxpayer or dealer that he has thirty calendar days from the date the notice is sent to take any action authorized in R.S. 47:337.51(A)(1)(a),(b), or (c) or (B), as applicable.

D. The taxpayer or dealer shall have thirty calendar days from the date the notice of completion or termination of the mediation agreement is sent from the collector to take any action authorized in R.S. 47:337.51(A) or (B), as applicable. Notwithstanding any provision to the contrary in this Section, a taxpayer or dealer shall not have less than sixty calendar days from the date the notice of assessment is sent to take any action authorized in R.S. 47:337.51(A) or (B), as applicable.

E. All mediation procedures shall be nonbinding unless all the parties specifically agree otherwise in writing. The provisions of R.S. 9:4112 regarding confidentiality and admissibility of oral and written communications and records made during mediation shall be applicable to any mediation conducted pursuant to this Section.

* * *

§337.102. Louisiana Uniform Local Sales Tax Board; creation; membership; powers and duties

* * *

D. Issuance of policy advice.

(1)(a) The board may issue policy advice intended to provide guidance to taxpayers or dealers with respect to any local sales and use tax issue. Any policy advice issued after January 1, 2025, shall bind the decision or discretion of a local collector subject to the provisions on this Paragraph.

(b) A local collector may seek a review of the policy advice within twenty calendar days of the date of issuance by filing a petition to the Local Tax Division of the Louisiana Board of Tax Appeals. Any policy advice that is appealed shall be stayed until the appeal is resolved by final judgment.

(2)(a) A taxpayer or dealer may request a private letter ruling from the board by sending a certified letter to the board and to the respective local tax collectors. Prior to the issuance of a private letter ruling, the board may solicit additional information from the respective local tax collectors. A private letter ruling issued by the board shall be transmitted by certified mail simultaneously to both the requesting party and the respective local tax collectors. A private letter ruling shall be posted in redacted form on the board's website within ten days of its issuance.

~~(2) If a request for a private letter ruling involves a single local tax collector, the tax collector may elect to decline to participate in the private letter ruling process provided for in this Subsection with respect to that request for a private letter ruling by notifying the board and the requesting party within ten days of receipt of the request. If the board receives this notification, the board shall decline the request for the ruling.~~

(3)(b) Except as otherwise provided in Paragraph (2) of this Subsection, a private A private letter ruling shall bind the decision or discretion of a local tax collector served with notice of the request pursuant to Subparagraph (a) of this Paragraph (1) of this Subsection. However, any party to the dispute may seek a review of the ruling within twenty days of the date of its certified mailing by filing a petition to the Local Tax Division of the Louisiana Board of Tax Appeals. The ~~only grounds for overturning a private letter ruling on appeal shall be that the ruling is contrary to law or a controlling ordinance, conflicts with pre-existing jurisprudence, or otherwise is clearly arbitrary and capricious. Any private letter ruling that is appealed shall be stayed until the appeal is resolved by final judgment or by settlement~~ Local Division of the Louisiana Board of Tax Appeals shall conduct a de novo review of the private letter ruling advice and the judgment rendered by the Local Division of the Louisiana Board of Tax Appeals may be appealed by either the taxpayer or the local tax collector.

* * *

1 §1401. Creation of Board of Tax Appeals

2 In order to provide effect to the provisions of Article V, Section 35 and
3 Article VII, Section 3(A) of the Constitution of Louisiana, a board that will hear and
4 timely decide, at a minimum of expense to the taxpayer, questions of law and fact
5 arising from disputes or controversies between a taxpayer and any collector of the
6 state of Louisiana or its political subdivisions in the enforcement of any tax, excise,
7 license, permit or any other tax, fee, penalty, receipt or other law administered by a
8 collector, and to exercise other jurisdiction as provided by law, including jurisdiction
9 as provided for in the Uniform Local Sales Tax Code, the Board of Tax Appeals,
10 hereinafter referred to as the "board", is created as an independent agency for the
11 purposes of this Chapter. The Local Tax Division is created as an independent
12 agency and authority within the board for the purposes of exercising jurisdiction over
13 disputes involving local collectors.

14 §1402. Membership of board; qualifications; appointment; term; vacancy; salary

15 A.(1) The Board of Tax Appeals shall be composed of ~~three~~ four members
16 who shall be attorneys with tax law experience and who shall be qualified electors
17 of the state. The Board of Tax Appeals shall sit in randomly assigned panels, each
18 composed of at least three judges, not more than one of which shall be a member
19 appointed pursuant to the provisions of Subsection D of this Section. At least two
20 of these board members shall be certified as a Tax Law Specialist by the Louisiana
21 Board of Legal Specialization or possess a Masters of Law in Taxation or Tax Law.
22 Each member shall be appointed by the governor. Vacancies shall be filled in the
23 manner of the original appointment.

24 (2) For the purposes of this Subsection, tax law experience shall mean an
25 attorney admitted to the practice of law in Louisiana who possesses a Masters of Law
26 in Taxation or Tax Law, is board certified as a Tax Law Specialist in this state, is
27 licensed as a certified public accountant in this state, or who has served pursuant to
28 Article V, Section 22 of the Constitution of Louisiana as a judge of a district or
29 appellate court.

1 (3) Members shall adhere to the Code of Judicial Conduct.

2 * * *

3 D.(1) On or before ~~August 1, 2014~~ September 1, 2025, the governor shall
4 appoint ~~one member to a term expiring February 1, 2020,~~ two members from a list
5 of qualified nominees provided by the nominating committee established pursuant
6 to this Subsection. The term of one of the members appointed by the governor shall
7 expire on February 1, 2027, and the term of the other member appointed by the
8 governor shall expire on February 1, 2029. The successor to ~~that~~ the member ~~shall~~
9 ~~be appointed to a term expiring January 1, 2026~~ whose term expires on February 1,
10 2027, shall be appointed to a term expiring on January 1, 2030, and the successor to
11 the member whose term expires February 1, 2029, shall be appointed to a term
12 expiring on January 1, 2032. Any subsequent appointments pursuant to this
13 Subsection shall be for either a fixed term of six years from the date of expiration of
14 the expired term or for the remainder of an unexpired term. An appointment
15 pursuant to the provisions of this Subsection shall be made within ninety days of
16 written notice of the nomination.

17 * * *

18 §1403. Designation of officers; domicile; quorum; seal

19 A.

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21 (3) Notwithstanding any provision of law to the contrary, the ~~member~~
22 members appointed pursuant to R.S. 47:1402(D) shall be the hearing ~~judge~~ judges
23 of the Local Tax Division of the board. For the purposes of the Local Tax Division,
24 the ~~judge~~ judges shall exercise all jurisdiction, authority, and powers of the board
25 and its chairman, including the hearing of cases to be adjudicated in the division and
26 the rendering of orders and judgments in such cases. The hearing of cases shall be
27 allotted to judges solely on a random basis.

28 (4) The local tax ~~judge~~ judges provided for in Paragraph (3) of this
29 Subsection is recognized as having been created as a distinct position in the

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unclassified service for the purposes of Article X of the Constitution of Louisiana

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and ~~shall~~ the governor shall appoint one local tax judge to serve as agency head chief

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judge for the Local Tax Division.

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(5) In the event of a vacancy lasting more than thirty days or if ~~the~~ a local tax

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judge submits a written request for assistance, the supreme court is authorized to

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make assignments or appointments for a local tax judge ad hoc in the same manner

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as authorized pursuant to Article V, Section 5(A) of the Constitution of Louisiana.

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Notwithstanding any provisions of law to the contrary, any sitting or retired ad hoc

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judge so assigned shall receive the compensation specified in this Chapter for ad hoc

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appointment pursuant to this Paragraph.

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B.

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(c) For any case assigned to be heard in the Local Tax Division, all

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references to the "Board of Tax Appeals" in this Chapter, in Chapter 2-D of this

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Subtitle, or in Subtitle III of this Title shall mean the board's Local Tax Division,

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with the board's authority exercised by its local tax ~~judge~~ judges pursuant to

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Paragraph (A)(3) of this Section.

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* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 500 Original

2025 Regular Session

Beaulieu

Abstract: Authorizes the mediation of certain tax disputes, the issuance of policy advice and private letter rulings from the La. Uniform Local Sales Tax Board, and membership and duties of the Board of Tax Appeals (BTA).

Present law requires an assessor to send notice by certified mail to a taxpayer after determining that an assessment is owed at the taxpayer's last known address or other address obtainable from any private entity or any federal, state, or local government entity. The

notice is required to inform the taxpayer of the assessment and that he has 60 calendar days from the date of the notice to pay the amount of the assessment, appeal to the Board of Tax Appeals (BTA) for redetermination of the assessment, or pay under protest.

Proposed law retains present law but adds the limitation of 60 calendar days for the taxpayer to take action from the date notice to all of the actions available to the taxpayer.

Proposed law authorizes a taxpayer or dealer and the collector to agree in writing to mediation of any disputes relating to an assessment within 15 calendar days from the date of the notice issued pursuant to present law. Any mediation agreed to by the parties must be completed within 45 calendar days of the mediation agreement, the mediator must be mutually agreed to by the parties, and all costs of mediation are to be shared equally by the parties, unless all the parties specifically agree otherwise in writing.

Proposed law authorizes any party to the mediation to terminate the mediation agreement at any time by notifying the other parties in writing. When the mediation agreement is completed or terminated, the collector shall send a notice of completion or termination of the mediation agreement to the taxpayer or dealer pursuant to the provisions of present law and shall notify the taxpayer or dealer that he has 30 calendar days from the date the notice is sent to pay the amount of the assessment, appeal to the BTA for redetermination of the assessment, or pay under protest. In no case shall a taxpayer have less than 60 calendar days from the date the notice of assessment is sent to take this action.

Proposed law provides that all mediation procedures shall be nonbinding unless the parties specifically agree otherwise in writing. Further provides that present law requirements regarding confidentiality and admissibility of oral and written communications and records made during mediation shall be applicable to any mediation conducted pursuant to proposed law.

Present law provides for the establishment of the La. Uniform Local Sales Tax Board (board) to support and advise local sales and use tax collectors concerning the imposition, collection, and administration of local sales and use taxes and to issue policy advice on matters concerning the imposition, collection, and administration of local sales and use tax.

Present law authorizes the board to issue policy advice intended to provide guidance to taxpayers or dealers with respect to any local sales and use tax issue. A taxpayer or dealer may request a private letter ruling from the board by sending a certified letter to the board and to the respective local tax collectors. If a request for a private letter ruling involves a single local tax collector, the tax collector may elect to decline to participate in the private letter ruling process by notifying the board and the requesting party within 10 days of receipt of the request. If the board receives this notification, the board shall decline the request for the ruling.

Present law provides that a private letter ruling shall bind the decision or discretion of a local tax collector; however, a party to the dispute may seek a review of the ruling within 20 days of the date of its certified mailing by filing a petition to the Local Tax Division of the BTA. The only grounds for overturning a private letter ruling on appeal shall be that the ruling is contrary to law or a controlling ordinance, conflicts with pre-existing jurisprudence, or otherwise is clearly arbitrary and capricious. Any private letter ruling that is appealed shall be stayed until the appeal is resolved by final judgment or by settlement.

Proposed law changes present law by providing that any policy advice issued after Jan. 1, 2025, shall bind the decision or discretion of a local collector except that a local collector may seek a review of the policy advice within 20 *calendar* days of the date of issuance by filing a petition to the Local Tax Division of the BTA. Further requires the Local Division of the BTA to conduct a de novo review of the private letter ruling advice and the judgment rendered by the Local Division of the BTA may be appealed by either the taxpayer or the local tax collector.

Proposed law retains requirement that if a policy advice is appealed, the matter is stayed until the appeal is resolved by final judgment.

Proposed law repeals authorization that if a request for a private letter ruling involves a single local tax collector, the tax collector may elect to decline to participate in the private letter ruling process by notifying the board and the requesting party within 10 days of receipt of the request.

Present law provides for the establishment of the BTA to hear and decide, at minimum expense to the taxpayer, questions of law and fact arising from disputes or controversies between a taxpayer and state and local collectors in the enforcement of any tax, excise, license, permit or any other tax, fee, penalty, receipt or other law administered by a collector, and to exercise other jurisdiction as provided in present law.

Proposed law retains present law but specifies that the BTA shall *timely* hear and decide questions of law and fact arising from disputes or controversies between taxpayers and state and local collectors.

Present law provides for the membership, terms, and duties of members of the BTA. The BTA shall be composed of three members who shall be attorneys with tax law experience and who shall be qualified electors of the state. At least two board members shall be certified as a Tax Law Specialist by the La. Board of Legal Specialization or possess a Masters of Law in Taxation or Tax Law. Each member shall be appointed by the governor.

Proposed law retains present law but adds a member to the BTA thereby increasing the membership from three to four members and requires the BTA to sit in randomly assigned panels, each composed of at least three judges, not more than one of which shall be a member appointed by the governor. Further requires the members of the BTA to adhere to the Code of Judicial Conduct.

Present law requires the governor to appoint one member to a term expiring Feb. 1, 2020, from a list of qualified nominees provided by a nominating committee established pursuant to present law. The successor to that member shall be appointed to a term expiring Jan. 1, 2026. Any subsequent appointments shall be for either a fixed term of six years from the date of expiration of the expired term or for the remainder of an unexpired term. The nominating committee shall be responsible for developing a list of not less than one, nor more than three, qualified nominees for any vacancy.

Proposed law changes present law by requiring the governor to appoint two members on or before Sept. 1, 2025, from a list of qualified nominees provided by the nominating committee. The term of one of the members appointed by the governor shall expire on Feb. 1, 2027, and the term of the other member appointed by the governor shall expire on Feb. 1, 2029. The successor to the member whose term expires on Feb. 1, 2027, shall be appointed to a term expiring on Jan. 1, 2030, and the successor to the member whose term expires on Feb. 1, 2029, shall be appointed to a term expiring on Jan. 1, 2032.

Present law requires the nominating committee to develop a list of not less than one nor more than three qualified nominees for any vacancy. Proposed law changes present law to require the nominating committee to develop a list of not less than two nor more than four qualified nominees for any vacancy

Present law provides that members of the BTA shall be hearing judges of the Local Tax Division of the BTA and shall exercise all jurisdiction, authority, and powers of the board and its chairman, including the hearing of cases to be adjudicated in the division and the rendering of orders and judgments.

Proposed law retains present law.

(Amends R.S. 47:337.51(A)(1), 337.102(D), 1401, 1402(A) and (D)(1), and 1403(A)(3), (4), and (5) and (B)(6)(c); Adds R.S. 47:337.51.1)