

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

**REVENUE DEPARTMENT. Provides relative to the Louisiana Tax Delinquency Amnesty Act of 2013**

-----  
DIGEST

Present law authorizes the Dept. of Revenue (DOR) to develop and implement a tax amnesty program to be effective for the following periods of time, the specific dates of which shall be determined by the secretary of DOR (secretary):

- (1) A period of at least one month occurring between July 1, 2014, and Dec. 31, 2014.
- (2) A period of at least one month occurring between July 1, 2015, and Dec. 31, 2015.

The amnesty program applies to all taxes administered by DOR, except for motor fuel taxes, and penalties for failure to submit information reports that are not based on an underpayment of tax.

Proposed law provides that the amnesty program shall apply to taxes for all of the following:

- (1) Taxes for taxable periods that began before Jan. 1, 2014.
- (2) Taxes for which the department and the taxpayer have entered into an agreement to suspend the running of prescription until Dec. 31, 2014.
- (3) For the 2014 amnesty program: taxes due prior to Jan. 1, 2014, for which the department has issued an individual or a business proposed assessment, notice of assessment, bill, notice, or demand for payment not later than May 31, 2014.
- (4) For the 2015 amnesty program: taxes due prior to Jan. 1, 2015, for which the department has issued an individual or a business proposed assessment, notice of assessment, bill, notice, or demand for payment not later than May 31, 2015.

Present law authorizes the secretary to waive 15% of penalties owed if the amnesty application is approved during the 2014 amnesty period and 10% of penalties owed if the amnesty application is approved during the 2015 amnesty period. No interest is waived during these periods.

Proposed law changes the waiver of the penalties and interest for the 2014 and 2015 amnesty programs to the following:

- (1) Waiver of all of the penalties and 50% of the interest owed if amnesty is approved during the 2014 amnesty period.
- (2) Waiver of 33% of penalties and 17% of interest owed if amnesty is approved during the 2015 amnesty period.

Proposed law requires the doubling of penalties for any taxpayer who has a final judgment in accordance with R.S. 47:1565 or 1568 rendered against him by a court or who has exhausted all rights to protest taxes owed to the state pursuant to such statutes 90 days prior to either the 2014 or 2015 amnesty period, and who then fails to submit an amnesty application before the end of the applicable amnesty period 90 days prior to which the final judgement was rendered or 90 days prior to which his rights to protest taxes have been exhausted.

Proposed law prohibits the department from accepting tax credits as payment of any tax, interest, penalty, or fee as a result of participation in the amnesty program.

Proposed law authorizes taxpayers who dispute a portion of the amount of a delinquent tax assessed by the department to participate in amnesty if the taxpayer remits the payment of that portion of the tax that is not in dispute, plus applicable interest and penalties, and otherwise complies with the requirements of proposed law. Further provides for the requirements of the department with respect to these taxpayers.

Present law prohibits the secretary from allowing taxpayers to enter into installment agreements for amnesty periods.

Proposed law changes present law to authorize installment agreements for the payment of delinquent taxes, interest, penalties, and fees. Further requires the taxpayer to submit an application to make installment payments and once approved by the secretary, requires the taxpayer to provide a down payment of no less than 20% of the total amount of delinquent tax, penalty, interest, and fees owed by the taxpayer at the time that the installment agreement is approved.

Proposed law requires all installment payments to be made through automated electronic transactions and for all payments to be received by the department no later than May 1st of the program year for which the taxpayer applies for amnesty.

Proposed law provides requirements relative to the forfeiture of monies paid if the taxpayer who is a party to an installment agreement fails to fulfill his obligation under the agreement.

Proposed law authorizes the secretary of DOR to procure amnesty program collection services for the administration and collection of installment agreements. The fee for such services shall be in accordance with the fees provided for in present law.

Proposed law authorizes the department to promulgate rules and regulations in accordance with the emergency rulemaking authority of the Administrative Procedure Act as are necessary to implement the provisions of proposed law relative to installment agreements. Present law requires the secretary to retain from monies collected pursuant to the amnesty program, an amount equal to the costs for contractual information technology and amnesty program administration services. Further authorizes the secretary to use the emergency procurement process to acquire amnesty program administration services and information technology services.

Proposed law retains present law but includes, without limitation, marketing, advertising, and public information services within the amnesty program administration service costs for which the secretary shall retain from monies collected from the amnesty program and for which the department may acquire using the emergency procurement process.

Proposed law prohibits, after conclusion of the amnesty period in 2015, DOR from implementing a new amnesty program before Jan. 1, 2025.

(Amends §§3.(C), (G), and (I) and 4.(A) of Act No. 421 of the 2013 R.S.; Adds §3.(M) and (N) to Act No. 421 of the 2013 R.S.)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Adds a provision requiring the payment of double penalties for taxpayers who have a final judgement rendered in accordance with present law or who have exhausted all rights to protest taxes who fail to apply for amnesty under proposed law.

2. Adds the costs for marketing, advertising, and public information services within the amnesty program administration service costs for which the secretary of DOR shall retain from monies collected from the amnesty program and for which the department may acquire using the emergency procurement process.

House Floor Amendments to the engrossed bill.

1. Adds prohibition, after conclusion of the 2015 amnesty program, for DOR to implement a new amnesty program before Jan. 1, 2025.
2. Technical amendments.

Summary of Amendments Adopted by Senate

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

1. Deletes the authorization for a 2015 amnesty and changes the waiver of the penalties and interest for the 2014 amnesty program from a waiver of 67% of penalties to a waiver of 100% of penalties and from a waiver of 33% of interest to a waiver of 50% of the interest owed.
2. Moves the end of the prohibition on implementing a new amnesty program from January 1, 2025, to Jan. 1, 2024.

Committee Amendments Proposed by Senate Committee on Finance to the reengrossed bill

1. Restores the 2015 amnesty.
2. Requires a taxpayer who has either a final judgment rendered against him or who has exhausted all rights to protest taxes 90 days prior to an amnesty period, to apply for amnesty before the end of such amnesty period to avoid having his penalties doubled.
3. Restores the date for the end of the prohibition on implementing a new amnesty program back to January 1, 2025.