

Existing law authorizes the Dept. of Revenue (department) 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 the department (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 the department, except for motor fuel taxes, and penalties for failure to submit information reports that are not based on an underpayment of tax.

New 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.

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

New 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.

New 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.

New 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.

New 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 new law. Further provides for the requirements of the department with respect to these taxpayers.

Prior law prohibited the secretary from allowing taxpayers to enter into installment agreements for amnesty periods.

New law authorizes 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.

New 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.

New 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.

New law authorizes the secretary 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 existing law.

New 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 new law relative to installment agreements.

Existing 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.

New law 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.

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

New law provides for the disposition of the proceeds of the amnesty collections in FY 2014-2015 as follows:

1. The first \$100 M shall be deposited into the 2013 Amnesty Collection Fund to be appropriated for any public purpose.
2. The next \$4 M shall be appropriated to the Dept. of Economic Development to be allocated to the La. Regional Leadership Council to be used for regional economic and workforce development.
3. The remaining monies shall be credited to the 2013 Amnesty Collection Fund to be appropriated for any public purpose.

Effective Aug. 1, 2014.

(Amends §§3.(C), (G), and (I) and 4(A) and (B)(1) of Act No. 421 of the 2013 R.S.; Adds §§3.(M) and (N) to Act No. 421 of the 2013 R.S.)