
DIGEST

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HB 721 Original

2015 Regular Session

Ivey

Abstract: Provides for penalties and fees assessed by the Department of Revenue.

Present law establishes separate penalties for dishonored checks or money orders in payment of income taxes.

Proposed law applies the penalties established in the administrative provisions of present law to the dishonored payments of income taxes in present law.

Present law provides for waiver by the secretary of penalties exceeding \$25,000 only after approval by the Board of Tax Appeals.

Proposed law eliminates the requirement of approval by the Board of Tax Appeals for waiver of penalties exceeding \$25,000 on December 31, 2015 and requires, beginning January 1, 2016, the secretary to maintain complete records of all penalty waivers in excess of \$50,000 and provides for public inspection and publication of such waivers.

Present law establishes penalty for failure to keep adequate records by dealers at \$500.

Proposed law increases the penalty for failure to keep adequate records from \$500 to \$5,000.

Present law establishes the penalty for failure to fully remit the tax due at the time of filing a return and calculates the penalty on the additional amount due when a payment of at least 90% of the total tax due is not paid on or before the date due and the return and payment are not received within the prescribed time, including any extensions.

Proposed law applies the penalty provision whenever a return and full payment are not received within the prescribed time, including any extensions.

Present law provides for the waiver of penalty for delinquent filing or delinquent payment.

Proposed law applies these waiver provisions to cases where the secretary and the taxpayer have entered into a valid and enforceable voluntary disclosure agreement.

Present law establishes a negligence penalty of 5% of the tax due or \$10, whichever is greater.

Proposed law changes the negligence penalty from 5% of the tax due or \$10, whichever is greater,

to separate penalties for negligence and large tax deficiencies as follows:

- | | | |
|-----|---------------------------------|-------------------|
| (1) | Negligence | 10% of deficiency |
| (2) | Large individual tax deficiency | 25% of deficiency |
| (3) | Other large tax deficiency | 25% of deficiency |

Present law establishes the penalty for dishonored payments at \$20.

Proposed law increases the penalty for dishonored payments from \$20 to \$35.

Present law establishes a separate penalty for dishonored payments of local taxes.

Proposed law repeals present law.

Effective July 1, 2015.

(Amends R.S. 47:105(H), 114(F)(3), 295(C), 309(B), 1602(A)(2)(a) and (3)(a), 1603(A)(2) and (3), 1604.1, and 1604.2; Repeals R.S.47:337.74)