
DIGEST

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HB 774 Reengrossed

2015 Regular Session

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Abstract: Provides for fees collected by the Dept. of Revenue for installment payment agreements, offset claims, authentication of certain records, searching for certain tax returns, and applications for compromise of judgment and offer in compromise.

Present law authorizes a taxpayer to request an installment payment plan from the secretary of the Dept. of Revenue for the payment of taxes, interest, and penalties due. If a taxpayer qualifies for an installment payment agreement, no further collection action shall be taken by the department as long as the taxpayer complies with the terms of the agreement. Further provides that if any installment payment is not paid timely, the entire amount of the unpaid tax shall be paid upon demand by the department. However, upon request of the taxpayer and approval of the secretary, the secretary may reinstate the installment payment agreement plan after payment of the \$60 reinstatement fee.

Proposed law retains present law but excludes offset claims against any state refund, federal refund, or vendor payment in which the taxpayer owing the debt has an interest from taxes in which an installment payment agreement applies. Further requires installment payments to be made by the taxpayer in accordance with the installment payment agreement.

Proposed law sets fees for the establishment of installment agreements at \$105 fee for a standard installment agreement and a reinstatement fee of \$60 if a taxpayer defaults on their installment payment agreement with the department. Further prohibits the department from charging an installment payment fee for any taxpayer whose adjusted gross income is \$25,000 or less.

Present law authorizes the department to collect a fee of \$4 when an agency makes an offset claim in writing to the secretary. The writing shall include a certification by the agency that the debt to which the offset is made is legally collectible, liquidated sums due and owed to the agency.

Proposed law retains present law but increases the fee for offset claims from \$4 to \$25 per claim.

Present law authorizes the department to collect a fee of \$1 to authenticate copies of any rule, decision, or order and any paper or report filed in any office maintained by the secretary.

Proposed law increases the fee for the authentication of records from \$1 to an amount not to exceed \$25 and establishes fees to be paid for the searching for tax records. Proposed law authorizes the department to promulgate rules and regulations in accordance with the APA to implement proposed law regarding a reasonable fee schedule for authenticating a copy of any document in its records as a true copy and to collect fees associated with searching tax returns and correspondence. Proposed

law further authorizes the department to modify regulations as deemed necessary.

Present law authorizes the secretary of the department to compromise any judgments for taxes of \$500,000 or less exclusive of interest and penalty. Further requires the secretary to maintain a complete record of all compromises in judgments. The record that shall be available for public inspection and published in the department's annual report.

Proposed law requires a nonrefundable application fee of \$186 for compromises of judgments. Further requires a nonrefundable initial payment of 20% of the amount of any offers in compromise.

Proposed law requires all monies received by the secretary from fees imposed pursuant to proposed law to be deposited into the state treasury and, after compliance with the requirements of present constitution, to be designated as self-generated revenues of the Dept. of Revenue.

Effective July 1, 2015.

(Amends R.S. 47:15(16), 105(A) and (B), 299.5, 1507, and 1578(B)(4)(c); Adds R.S. 47:1576.2 and 1578(B)(4)(d) and (e))

Summary of Amendments Adopted by House

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

1. Exclude offset claims against any state refund, federal refund, or vendor payment in which the taxpayer owing the debt has an interest from eligible taxes in which an installment payment agreement applies.
2. Require installment payments to be made by the taxpayer in accordance with the installment payment agreement.
3. Made technical amendment.

The House Floor Amendments to the engrossed bill:

1. Make technical changes to the bill.
2. Clarify that when a taxpayer defaults on installment payments, the secretary may reinstate the installment payment agreement plan after payment of a \$60 reinstatement fee.