
DIGEST

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HB 1129 Engrossed

2016 Regular Session

Stokes

Abstract: Authorizes a dealer to request a coordinated audit to include the state and all other taxing authorities in which the dealer collects sales and use taxes.

Proposed law establishes a procedure for a dealer who is registered to collect state and local sales and use taxes in more than one parish to request a coordinated audit to include audits by the state and by taxing authorities in those parishes.

Proposed law defines the following terms and phrases: "coordinated audit", "dealer", "primary taxing authority", and "other taxing authorities".

Proposed law authorizes a dealer to request a coordinated audit upon receipt of a notice of an intended audit by the state or a local taxing authority, hereinafter referred to as "initial taxing authority". The request for this audit shall be made by a letter from the dealer to the initial taxing authority and the taxing authority which the dealer designates as the jurisdiction in which they collect the most tax ("primary taxing authority"), within 14 days of the dealer's receipt of the notice of intended audit. The letter shall include a list of parishes in which the dealer collects sales and use taxes.

Proposed law requires that the primary taxing authority, upon receipt of a request for a coordinated audit, notify each of the other taxing authorities listed in the dealer's letter, advising them of the opportunity to participate in a coordinated audit. The notification shall be made within 10 days of receipt of the letter requesting the coordinated audit. Any taxing authority that intends to participate in the coordinated audit shall respond to that notice within ten days, in the manner stated in the notice.

Proposed law requires that the primary taxing authority coordinate the development of the plan and arrangements for the audit in consultation with the other taxing authorities. Further, the primary taxing authority shall be the primary point of contact for the dealer for general matters concerning the coordinated audit. If agreed to by the primary taxing authority, the state or another taxing authority may assume the responsibilities of the primary taxing authority. Arrangements for the audit shall include establishment of time periods and procedures and the development of a list of documents most likely to be required by the various taxing authorities for the completion of the audit. The audit arrangements and list of documents shall be transmitted by the primary taxing authority to the dealer upon completion.

Proposed law requires that all participating taxing authorities agree to restrict information obtained

during the audit to only those taxing authorities participating in the audit.

Proposed law provides that there shall be no coordinated audits under the following circumstances:

- (1) The notice of intended audit by the initiating taxing authority is related to a jeopardy assessment or the dealer is filing bankruptcy.
- (2) The intended audit notice by the initiating taxing authority was issued to the dealer prior to July 1, 2016.
- (3) The dealer fails to execute the waiver of the statute of limitations for the prescription of taxes, interest, and penalties as is required for a request for a coordinated audit.

Effective July 1, 2016.

(Adds R.S. 47:303.2)

Summary of Amendments Adopted by House

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

1. Technical changes.