

2018 Regular Session

SENATE BILL NO. 237

BY SENATOR MORRELL

REVENUE DEPARTMENT. Authorizes the Department of Revenue to seek to enjoin preparers who engage in certain conduct. (gov sig)

1 AN ACT

2 To enact R.S. 47:1679, relative to requirements for paid preparers; to require paid preparers  
3 to sign returns, reports, claims for refund, and other claims and to provide identifying  
4 information; to provide for penalties; to provide for a maximum annual penalty; to  
5 provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1679 is hereby enacted to read as follows:

8 **§1679. Paid preparers; required information on returns, reports, claims for**  
9 **refund, and other claims**

10 **A.(1) Any return, report, claim for refund, or other claim prepared by**  
11 **a paid preparer shall be signed by the preparer and shall bear the preparer's**  
12 **preparer tax identification number, federal employer identification number, or**  
13 **Louisiana Department of Revenue account number.**

14 **(2)(a) Any person who is a paid preparer with respect to any return,**  
15 **report, claim for refund, or other claim who fails to sign the return, report,**  
16 **claim for refund, or other claim or provide one of the identification numbers**  
17 **required by this Section shall pay a penalty of fifty dollars for each failure to**

1 sign and for each failure to provide one of the required identification numbers  
2 unless it can be shown that the failure was due to reasonable cause.

3 (b) The penalty that may be imposed on a paid preparer pursuant to this  
4 Section for returns, reports, claims for refund, and other claims filed during  
5 any calendar year shall not exceed twenty-five thousand dollars.

6 (c) The penalty provided for by this Section shall be an obligation to be  
7 assessed, collected, and enforced against the paid preparer in the same manner  
8 as if it were a tax due.

9 B. This Section shall apply to any return, report, claim for refund, or  
10 other claim prepared by a paid preparer as follows:

11 (1) For income taxes, all taxable periods ending on or after June 30,  
12 2018, and filed on or after January 1, 2019.

13 (2) For corporation franchise tax, all taxable periods ending on or after  
14 June 30, 2018, and filed on or after January 1, 2019.

15 (3) For taxes other than income and corporation franchise taxes, all  
16 taxable periods beginning on or after July 1, 2018.

17 (4) For any return, report, claim, or other filing not included in  
18 Paragraphs (1) through (3) of this Subsection, all filed on or after January 1,  
19 2019.

20 C. "Paid preparer" means any person who prepares for compensation,  
21 or who employs one or more persons to prepare for compensation any return,  
22 report, claim for refund, or other claim that is filed with the secretary of the  
23 Department of Revenue. The preparation of a substantial portion of a return,  
24 report, claim for refund, or other claim shall be considered the preparation of  
25 the return, report, claim for refund, or other claim for purposes of this Section.

26 Section 2. This Act shall become effective upon signature by the governor or, if not  
27 signed by the governor, upon expiration of the time for bills to become law without signature  
28 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
29 vetoed by the governor and subsequently approved by the legislature, this Act shall become

1 effective on the day following such approval.

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The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by James Benton.

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DIGEST

SB 237 Reengrossed                      2018 Regular Session                      Morrell

Proposed law requires that any return, report, claim for refund or other claim prepared by a paid preparer be signed by the preparer and bear his preparer tax identification number, federal employer identification number, or Louisiana Department of Revenue account number.

Failure to sign the return, report, claim for refund, or other claim or provide one of the identification numbers required under proposed law subjects the preparer to a penalty of \$50 for each failure to sign and for each failure to provide one of the required identification numbers unless the failure is due to reasonable cause. Provides that this penalty not exceed \$25,000 during any calendar year and that the penalty is an obligation to be assessed, collected, and enforced against the paid preparer in the same manner as if it were a tax due.

Proposed law applies to any return, report, claim for refund, or other claim prepared by a paid preparer as follows:

- (1) For income taxes, all taxable periods ending on or after June 30, 2018, and filed on or after January 1, 2019.
- (2) For corporation franchise tax, all taxable periods ending on or after June 30, 2018, and filed on or after January 1, 2019.
- (3) For taxes other than income and corporation franchise taxes, all taxable periods beginning on or after July 1, 2018.
- (4) For any return, report, claim, or other filing not included in items (1) through (3) above, all filed on or after January 1, 2019.

Proposed law defines a "paid preparer" as any person who prepares for compensation, or who employs one or more persons to prepare for compensation any return, report, claim for refund, or other claim that is filed with the secretary of the Department of Revenue. Preparation of a substantial portion of a return, report, claim for refund, or other claim is to be considered the preparation of the return, report, claim for refund, or other claim for purposes proposed law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:1679)

Summary of Amendments Adopted by Senate

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

1. Expands bill to apply to all "preparers".

2. Removes the requirement of listing a preparers social security number from the identification requirements and adds that the La. Dept. of Revenue account number can be used.
3. Provides for application dates as to income taxes, corporate franchise taxes.