
The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jeanne C. Johnston.

DIGEST

SB 57 Reengrossed

2020 Second Extraordinary Session

Luneau

Proposed law creates the "Louisiana Act of Government Against Misclassified Employees" or "LA A GAME" and provides for annual reporting requirements.

Proposed law defines the following terms:

- (1) "LA A GAME Annual Report" means an electronic filing of an Internal Revenue Service (IRS) Form 1099-NEC, or in the absence of an electronic filing, a report prescribed by the secretary and filed annually by a service recipient that includes the following information:
 - (a) The service recipient's name, business name, and address.
 - (b) The service recipient's federal employer identification number, social security number, or another appropriate identifying number.
 - (c) The service provider's full name, address, social security number or federal employer identification number, and the total amount paid to the service provider during the calendar year.
- (2) "Secretary" means the secretary of the La. Dept. of Revenue.
- (3) "Service recipient" means any individual, person, corporation, association, or partnership, or agent thereof, doing business in this state, deriving trade or business income from sources within this state, or in any manner is engaged in the course of a trade or business subject to the laws of this state that pays, in the course of its trade or business, remuneration to a service provider for services provided in this state. "Service recipient" includes any agency or political subdivision of the state.
- (4) "Service provider" means a person who is not an employee of the service recipient who receives remuneration for services performed for the service recipient in Louisiana.

Proposed law requires any service recipient who makes or is required to make a return to the IRS relating to payments made to a service provider as remuneration for services provided in this state to file the annual report with the secretary beginning January 1, 2022.

Proposed law requires the first annual report to be filed on or before February 28, 2022 for remunerations made during calendar year 2021.

Proposed law requires the annual report to be filed with the secretary on or before February 28th of each year for the preceding calendar year.

Proposed law authorizes the secretary to grant filing extensions and waive the annual reporting requirement in certain circumstances.

Proposed law provides for an exception to the confidentiality of tax records of the secretary of the Dept. of Revenue for the sharing of certain information with the Louisiana Workforce Commission.

Proposed law requires the secretary to design and provide for electronic filing of reports at no charge and may require electronic filing of the reports. Further requires the secretary to prescribe the forms and format to be used when submission of the LA A GAME Annual Report is made in a manner other than electronic filing of the IRS Form 1099-NEC.

Effective January 1, 2021.

(Amends R.S. 47:1508(B)(28); adds R.S. 47:114.1)

Summary of Amendments Adopted by Senate

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

1. Creates the "Louisiana Act of Government Against Misclassified Employees" and provides for annual reporting requirements.
2. Requires any service recipient who is required to make a return to the IRS relating to payments made to a service provider to file an annual report with the secretary of the Dept. of Revenue beginning January 1, 2022 regardless of the number of service providers used.
3. Increases the penalty cap from \$7,500 to \$10,000 per year.
4. Authorizes the secretary to promulgate rules and requires the secretary to provide for the electronic filing of annual reports.
5. Requires the secretary of the Dept. of Revenue to consult with service recipients when developing forms for the annual report.
6. Provides for an exception to the confidentiality of the records of the secretary of the Dept. of Revenue for the sharing of certain information with the Louisiana Workforce Commission.

Senate Floor Amendments to engrossed bill

1. Provide for alternative identifying number for service recipients.
2. Delete penalty provisions.
3. Delete requirement for secretary to develop report forms in consultation with service recipients.
4. Delete provisions for promulgation of rules.
5. Require secretary to prescribe forms and format to be used when electronic filing is not utilized.