

Prior law authorized the secretary of the Department of Revenue and local tax collectors to employ private counsel to assist in collection of taxes, interest, and penalties or to represent the collector in any proceeding and authorizes an additional charge for attorney fees, in the amount of 10% of the taxes, penalties and interest due to be paid by the "tax debtor."

New law provides that the private counsel employed by the collector in state matters may be paid reasonable attorney fees and reasonable expenses out of current collections of the particular tax at issue, but they cannot exceed 10% of the taxes, penalties, and interest at issue. If private counsel is employed to collect a delinquent account after an assessment has become final, an additional charge for attorney fees of 10% of the taxes, penalties, and interest due must be paid by the taxpayer. New law shall apply to matters referred to private counsel on or after the effective date of new law.

New law adds specific authorization for local collectors to employ private counsel to assist in the collection of taxes, penalties or interest pursuant to prior law. A taxpayer shall pay attorneys fees in amounts equaling up to 10% of the taxes, penalties and interest due. An exception is provided for amounts timely paid under protest with a return that is not delinquent or amounts paid under protest to a vendor in accordance with prior law.

New law provides alternative remedies for taxpayers who have received a final notice of assessment for sales and use taxes from any collector or taxing authority and now seek a remedy instead of making a payment under protest.

Prior law required a taxpayer contesting local sales taxes, as an alternative to paying the contested taxes, penalty, and interest under protest, to file with the court a rule to set bond within 30 days of receipt of a notice of final assessment, which must be set for hearing within 30 days of the filing of the rule. Required the court to authorize the posting of a commercial bond or other security in lieu of a payment under protest if the taxpayer establishes that it does not have the resources to pay under protest or that a payment under protest would seriously disrupt the ability of the taxpayer to manage its business affairs. If he does so, no collection action can be taken in connection with the tax assessment.

New law authorizes the taxpayer to file a rule and post a bond or "other security" "within the time required by law" and deletes the requirement to show no resources or business disruption as set forth above. Defines "other security" as including, but not being limited to a pledge, collateral assignment, lien, mortgage, factoring of accounts receivable, or other encumbrance of assets.

New law specifically allows a collector to file a reconventional demand against the taxpayer in the suit but retains the prohibition on any other collection action.

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

(Amends R.S. 47:337.64 and 1512; adds R.S. 47:337.13.1)