

2026 Regular Session

HOUSE BILL NO. 1039

BY REPRESENTATIVE DESHOTEL

TAX/SALES-USE, LOCAL: Provides for local sales and use tax audit procedures

1 AN ACT

2 To amend and reenact R.S. 47:337.26(D)(1)(introductory paragraph), 337.28.1(A),
3 337.69(A), and 337.70(C)(3) and to enact R.S. 47:337.26(D)(1)(g), 337.26.1,
4 337.28(E), and 337.67(E) and (F), relative to local sales and use tax audit
5 procedures; to require random selection of taxpayers for audits; to provide for
6 exceptions to the random selection requirements in certain circumstances; to require
7 prior approval of audits; to provide for documentation request requirements in
8 connection with certain audits; to provide for arbitrary assessments; to prohibit a
9 collector from executing a waiver of the prescriptive period as a condition of
10 concluding an audit; to provide for interest on unpaid taxes; to provide for penalties
11 for failure to make a timely return; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 47:337.26(D)(1)(introductory paragraph), 337.28.1(A), 337.69(A),
14 and 337.70(C)(3) are hereby amended and reenacted and R.S. 47:337.26(D)(1)(g), 337.26.1,
15 337.28(E), and 337.67(E) and (F) are hereby enacted to read as follows:

16 §337.26. Contracts for purposes relating to collection of sales and use taxes

17 * * *

18 D.(1) Prior to initiating an examination or audit of a taxpayer, the local
19 collector shall provide notice of the intent to audit which shall be sent by certified
20 mail to the taxpayer at the taxpayer's last known address. ~~Such~~ The notice shall:

21 * * *

1 §337.67. Suspension and interruption of prescription

2 * * *

3 E. A collector shall not condition the issuance of a notice of tax due pursuant
4 to R.S. 47:337.48 or a notice of assessment pursuant to R.S. 47:337.51 on a
5 taxpayer's agreement to execute a waiver of the prescriptive period pursuant to
6 Paragraph (C)(1) of this Section. A collector shall not represent to a taxpayer that
7 the execution of a waiver is required as a condition of concluding an audit or
8 examination. A waiver obtained in violation of this Subsection shall not suspend the
9 running of prescription and shall not extend the period within which an assessment
10 may be made.

11 F. If a taxpayer executes a waiver of the prescriptive period pursuant to
12 Paragraph (C)(1) of this Section, interest that would otherwise accrue pursuant to
13 R.S. 47:337.69 and delinquency penalties that would otherwise accrue pursuant to
14 R.S. 47:337.70 shall not accrue from the date of execution of the waiver until the
15 date of its expiration as stated in the waiver agreement.

16 * * *

17 §337.69. Interest on unpaid taxes

18 A. When any taxpayer fails to pay a tax, or any portion thereof, on or before
19 the day where it is required to be paid under the provisions of this Chapter, interest
20 shall be added to the amount of tax due. ~~Such~~ The interest shall be computed from
21 the due date until the tax is paid. The interest shall be an obligation to be collected
22 and accounted for in the same manner as if it were a part of the tax due and ~~can~~ may
23 be enforced in a separate action or in the same action for collection of the tax. ~~and~~
24 Except as provided in R.S. 47:337.67(F), interest shall not be waived or remitted.

25 * * *

26 §337.70. Penalty for failure to make timely return

27 * * *

28 C.

29 * * *

the original assessment and the final assessment or a difference of \$10,000, whichever is greater.

Present law provides for circumstances under which the prescriptive period against any action to collect sales and use tax may be interrupted, including but not limited to a written agreement between the taxpayer and the collector.

Proposed law retains present law but prohibits a collector from making a waiver of the prescriptive period a condition of concluding an audit or examination.

Present law prohibits interest accrued on unpaid taxes from being waived or remitted. Proposed law creates an exception for a taxpayer who executes a waiver of prescription, with no interest accruing from the date of execution of the waiver until the date of its expiration as stated in the waiver agreement.

Present law imposes a penalty equal to 5% of the tax owed for each 31-day period, up to five 31-day periods, against any taxpayer who fails to make and file a return before the return becomes delinquent or fails to timely remit the total amount of tax due. Further provides that a taxpayer who has paid the amount due under protest or has entered into an installment agreement is not subject to the penalty.

Proposed law retains present law and additionally exempts a taxpayer who has executed a waiver of prescription at the request of the collector from accruing further penalties for delinquent filing or delinquent payment.

(Amends R.S. 47:337.26(D)(1)(intro. para.), 337.28.1(A), 337.69(A), and 337.70(C)(3); Adds R.S. 47:337.26(D)(1)(g), 337.26.1, 337.28(E), and 337.67(E) and (F))