

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 37

2020 First Extraordinary Session

Harris

REVENUE DEPARTMENT: Requires the Department of Revenue to waive penalties and interest for certain taxpayers for tax years 2019 and 2020 (Item #29)

Synopsis of Senate Amendments

1. Clarifies that proposed law applies to *all* taxes with a due date between March 11, 2020, and July 15, 2020, including declaration payments.
2. Changes reference from "third-party provider" to "tax preparer".
3. Specifies that proposed law applies if the taxpayer or the taxpayer's tax preparer was diagnosed with COVID-19 between March 11, 2020, and July 15, 2020.
4. Requires taxpayers to retain COVID-19 documentation rather than sending documentation to the secretary unless the secretary requests the information.
5. Requires returns to be filed and taxes to be paid on or before Nov. 15, 2020, in order to be eligible for the penalty and interest waivers.

Digest of Bill as Finally Passed by Senate

Present law requires the assessment of interest to be added to the amount of tax due when a taxpayer fails to pay a tax on or before the day it is required to be paid. The amount of interest shall accrue at an annual rate of 3% above the judicial interest rate provided for in present law.

Present law requires the secretary of the Dept. of Revenue (DOR) to impose a penalty in addition to any other penalty when a taxpayer fails to make and file any return required to be made in accordance with present law before the time that the return becomes delinquent or when a taxpayer fails to timely remit to the secretary of DOR the total amount of tax that is due on a return which he has filed. The amount of the penalty varies depending on the length of time the deficiency continues.

Proposed law changes present law by establishing a limited period in which the secretary of DOR is required to waive all penalties and interest for the late filing of any tax return or the late payment of any tax due in or for 2019 and 2020, if the original due date for the tax or the tax return was between March 11, 2020, and July 15, 2020. The waiver provided for in proposed law shall not apply to any tax return filed or any tax payment submitted after Nov. 15, 2020.

Proposed law restricts the provisions of proposed law to taxpayers diagnosed with COVID-19 or taxpayers who relied on a tax preparer diagnosed with COVID-19 on or after March 11, 2020 or before July 15, 2020. Further requires taxpayers claiming the waiver to retain documentation that shall be provided upon request to DOR evidencing the COVID-19 impact on their health or the health of their tax preparer for filing services.

Effective July 1, 2020.

(Adds R.S. 47:1602.2)