

2022 Regular Session

SENATE BILL NO. 95

BY SENATOR ALLAIN

TAX/LOCAL. Creates the multi-parish audit program for local sales tax. (7/1/22)

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AN ACT

To amend and reenact R.S. 47:337.36, 337.102(H) and (I)(1) and to enact R.S. 47:337.102(C)(10) and (I)(4), relative to the Uniform Local Sales Tax Board; to create a multi-parish audit program; to provide for confidentiality of taxpayer information; to provide for the operations of the program; to provide relative to the funding of the board; to provide for reporting on the program to legislative committees; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:337.36, 337.102(H) and (I)(1) are hereby amended and reenacted and R.S. 47:337.102(C)(10) and (I)(4) are hereby enacted to read as follows:

§337.36. Power to examine records and premises of taxpayer

For the purpose of administering the provisions of the local ordinance and this Chapter, the collector, whenever he deems it expedient, may make or cause to be made by any of his authorized assistants, an examination or investigation of the place of business, if any, the tangible personal property, and the books, records, papers, vouchers, accounts, and documents of any taxpayer. **The collector shall notify the taxpayer of the availability of the multi-parish audit program when**

1 the taxpayer is initially notified of the collector's intent to conduct an
 2 examination or investigation pursuant to this Section. Every taxpayer and every
 3 director, officer, agent, or employee of every taxpayer, shall exhibit to the collector
 4 or to any of his authorized assistants, the place of business, the tangible personal
 5 property and all of the books, records, papers, vouchers, accounts, and documents
 6 of the taxpayer and to facilitate any such examination or investigation so far as it
 7 may be in his or their power so to do.

8 * * *

9 §337.102. Louisiana Uniform Local Sales Tax Board; creation; membership; powers
 10 and duties

11 * * *

12 C. Powers and duties of the board. The board may:

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14 **(10) Hold an executive session pursuant to R.S. 42:16 for any of the**
 15 **reasons contained in R.S. 42:17 and for the discussion of matters involving**
 16 **confidential taxpayer information including policy advice, private letter rulings,**
 17 **multi-parish audits, or other matters. The records and files of the board held**
 18 **for the purpose of enforcement of the tax laws of this state and its political**
 19 **subdivisions shall be deemed to be the files and records of a political subdivision**
 20 **of the state subject to the provisions of R.S. 47:1508 in the same manner as any**
 21 **other political subdivision enforcing tax laws related to sales and use taxes.**

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23 H. Multi-parish audits.

24 **(1) The Beginning July 1, 2022, the board may develop a coordinated shall**
 25 **implement and coordinate the multi-parish audit process which program.**

26 **(2) Multi-parish audit program.**

27 **(a) A multi-parish audit** may be requested by a taxpayer having a location
 28 in the state and registered to file and remit local sales and use taxes pursuant to a
 29 local ordinance in at least three parishes. ~~If a coordinated multi-parish audit program~~

1 ~~is developed, the program shall be implemented through a pilot program prior to~~
2 ~~statewide availability.~~ **A taxpayer that qualifies may request a multi-parish audit**
3 **from the board within thirty days from the issuance of a notice of intent to audit**
4 **from any of the parishes in which the taxpayer is registered to file and remit**
5 **local sales and use taxes.**

6 **(b)(i) The board shall assist the taxpayer identify all parishes in which**
7 **the taxpayer is registered to file and remit local sales and use taxes and shall**
8 **send a notice of the multi-parish audit to all parishes identified. Parishes shall**
9 **have fifteen days from the date of the notice to opt in or out of the multi-parish**
10 **audit.**

11 **(ii) Any parish identified by the taxpayer that opts out of a multi-parish**
12 **audit shall be prohibited from auditing the requesting taxpayer for three years**
13 **from the date the field work for the multi-parish audit is completed. This**
14 **prohibition shall not apply to parishes that the taxpayer failed to disclose to the**
15 **board.**

16 **(c) The board shall select and compensate the auditors who will conduct**
17 **the multi-parish audit. All auditors selected by the board shall be bound by R.S.**
18 **47:337.26 and any audit protocols in rules promulgated by the board.**

19 **(d) The board shall facilitate consistent treatment of taxability of**
20 **transactions between parishes involved in a multi-parish audit.**

21 **(e)(i) Each parish shall review the completed audit and shall make an**
22 **independent determination regarding the issuance of a notice of intent to assess**
23 **with forty-five days of receipt of the completed audit.**

24 **(ii) Notwithstanding any provision of law to the contrary, a notice of**
25 **intent to assess arising from a multi-parish audit shall interrupt prescription for**
26 **the parish issuing the notice of intent to assess.**

27 **(f) After the issuance of the notices of intent to assess, the taxpayer may**
28 **request a joint administrative hearing in which all parishes that opted into the**
29 **multi-parish audit may participate. The board shall coordinate the hearing.**

Present law authorizes the Uniform Local Sales Tax Board to develop and coordinate a multi-parish audit process for taxpayers located in the state that are registered to file and remit local sales tax in three or more parishes.

Proposed law requires the board to implement and coordinate the multi-parish audit program created by proposed law.

Proposed law creates the multi-parish audit program.

Proposed law authorizes taxpayers that have a physical location in the state and that are subject to sales and use tax in three or more parishes to request a multi-parish audit whenever the taxpayer receives a notice of intent to audit from any of the parishes in which the taxpayer is required to file and remit sales and use tax.

Proposed law requires qualifying taxpayers to notify the board of their request for a multi-parish audit within 30 days of the issuance of the notice of intent to audit.

Proposed law requires the board to assist the taxpayer in identifying all parishes in which the taxpayer does business and the board will send the multi-parish audit notice to all identified parishes. Parishes will have 15 days to opt in or opt out of the multi-parish audit.

Proposed law provides that parishes that were identified by the taxpayer that opt out of a multi-parish audit will be prohibited from auditing the same taxpayer for three years from the date of completion of the multi-parish audit field work.

Proposed law requires that the board hire and compensate auditors who conduct multi-parish audits and requires these auditors to follow present law standards of conduct for contract auditors hired by local tax collectors and any additional audit protocols set forth in rules promulgated by the board.

Proposed law requires that the board facilitate consistent treatment of taxability of transactions between parishes involved in a multi-parish audit.

Proposed law requires that each parish participating in a multi-parish audit will review the audit and make an independent determination regarding the issuance of a notice of intent to assess and further provides that if issued a notice of intent to assess will interrupt prescription for the parish issuing the notice.

Proposed law provides that if a notice of intent to assess is issued, the board will coordinate an administrative hearing at the request of the taxpayer in which all parishes involved in the audit may participate.

Proposed law authorizes the board to issue rules to provide for audit procedures, hearing procedures, and any other provisions necessary for the implementation of the program.

Proposed law requires the board to report to the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means by Jan. 1, 2024, on the number of multi-parish audits initiated and completed, the percentage of local audits that are multi-parish audits, and the number of times each parish has opted in or out of the multi-parish audits. The board may also report any recommended legislative changes to the program as well as other information the board determines to be relevant.

Present law authorizes the board to enter into contracts with local tax collectors to fund the operations of the board.

Present law authorizes the vehicle commissioner to collect the local sales and use tax on motor vehicles subject to the Vehicle Registration License Tax Law.

Proposed law provides that the vehicle commissioner shall not collect the local sales and use tax on motor vehicles subject to the Vehicle Registration License Tax Law if the collector for the local taxing authority has not entered into a contract with the board to provide funding.

Proposed law suspends any agreements between collectors that have not entered into an agreement with the board for participation in the multi-parish audit program from January 1, 2023, until a funding contract is entered into.

Effective July 1, 2022.

(Amends R.S. 47:337.36, 337.102(H) and (I)(1); adds R.S. 47:337.102(C)(10) and (I)(4))