

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),
3 337.67(C)(introductory paragraph) and (1), 337.69(A), and 337.70(C)(3) and to enact
4 R.S. 47:337.26(D)(1)(g) and 337.28(E), relative to local sales and use tax audit
5 procedures; to establish requirements for local collectors; to require collectors to
6 provide written requests for certain documentation; to authorize the suspension of
7 interest and penalties under certain circumstances; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:337.26(D)(1)(introductory paragraph), 337.67(C)(introductory
10 paragraph) and (1), 337.69(A), and 337.70(C)(3) are hereby amended and reenacted and R.S.
11 47:337.26(D)(1)(g) and 337.28(E) are hereby enacted to read as follows:

12 §337.26. Contracts for purposes relating to collection of sales and use taxes

13 * * *

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

17 * * *

18 (g) Advise the taxpayer that executing a waiver of the prescriptive period
19 pursuant to R.S. 47:337.67(C)(1) is voluntary.

20 * * *

1 §337.28. Collector's authority to determine the tax in certain cases

2 * * *

3 E. Prior to making an estimate of tax due pursuant to Subsection A of this
4 Section, the collector shall provide the dealer with a written request that identifies
5 all books, records, papers, vouchers, accounts, and documents sought for
6 examination pursuant to R.S. 47:337.36. If the collector does not comply with the
7 requirements of this Subsection before issuing an estimated assessment, the
8 assessment shall be considered arbitrary pursuant to R.S. 47:337.28.1.

9 * * *

10 §337.67. Suspension and interruption of prescription

11 * * *

12 C. The running of ~~such~~ the prescriptive period may also be suspended as
13 follows:

14 (1) By means of a written agreement between the taxpayer and the collector
15 made prior to the lapse of ~~such~~ the prescriptive period. If a taxpayer and a collector
16 execute an agreement pursuant to this Paragraph, the parties may suspend the accrual
17 of additional interest or delinquency penalties on unpaid sales and use taxes during
18 the suspension of the prescriptive period.

19 * * *

20 §337.69. Interest on unpaid taxes

21 A. When any taxpayer fails to pay a tax, or any portion thereof, on or before
22 the day where it is required to be paid under the provisions of this Chapter, interest
23 shall be added to the amount of tax due. ~~Such~~ The interest shall be computed from
24 the due date until the tax is paid. The interest shall be an obligation to be collected
25 and accounted for in the same manner as if it were a part of the tax due and ~~can~~ may
26 be enforced in a separate action or in the same action for collection of the tax. ~~and~~
27 Except as provided in R.S. 47:337.67(C)(1), interest shall not be waived or remitted.

28 * * *

Present law authorizes a waiver of the prescriptive period against any action to collect sales and use tax under certain circumstances, including but not limited to a written agreement between the taxpayer and the collector.

Proposed law retains present law and authorizes a taxpayer and a collector to execute an agreement to suspend the accrual of additional interest or delinquency penalties after executing a waiver of the prescriptive period.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Remove the prohibition on collectors using a waiver of the prescriptive period as a condition of concluding an audit or examination.
2. Remove the requirement that a collector provide a dealer at least 30 days from the date of the written request to produce requested documents.
3. Remove from the definition of arbitrary assessment, assessments that are found to be grossly disproportionate to the amount of the original assessment.
4. Remove the requirement that interest and delinquency penalties stop accruing after the execution of a waiver of the prescriptive period.
5. Authorize a taxpayer and a collector to execute an agreement to suspend the accrual of additional interest or delinquency penalties on unpaid sales and use taxes after executing a waiver of the prescriptive period.
6. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Remove the requirement that the collector select taxpayers for audit or examination via random selection in certain circumstances.
2. Remove the requirement that targeted audits or examinations be subject to approval by a joint sales and use tax commission, central collection commission, or governing board of a tax collector.
3. Make technical changes.