
DIGEST

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Greene

HB No. 488

Abstract: Prohibits the Dept. of Revenue from collecting tax on any transaction for which no clear intent to tax by the legislature exists unless the department promulgates a rule indicating its intention to do so.

Proposed law provides that any transaction occurring after Jan. 1, 2000, the essential nature of which was not technologically and commercially feasible before that date, and for which no clear intent to tax by the legislature exists, shall remain exempt from, excluded from, or otherwise not subject to taxation unless the Dept. of Revenue, hereinafter "department", promulgates a rule in accordance with the provisions of proposed law.

Proposed law provides that prior to any tax becoming due or owed on any transaction described in proposed law, the secretary of the department shall promulgate a rule in accordance with the Administrative Procedure Act which clearly describes the transaction which the department determines is taxable. Requires the rule to include the statutory authorization providing for the taxability of the transaction, and to set forth notice to the public of the necessity of paying, collecting, and remitting the tax.

Proposed law prohibits the department from seeking payment and remittance of any tax if the department has not sought enforcement of that transaction within one year of promulgation of the rule. Any such rule of the department shall not become effective before one year following the date of publication of the final report and until the rule is approved by the House and Senate committees. Failure of a committee to conduct a hearing on the rule shall not constitute approval of the rule.

Proposed law prohibits the department from issuing an administrative pronouncement of any kind in contravention of the provisions of proposed law.

(Adds R.S. 47:16)