

2016 Regular Session

HOUSE BILL NO. 776

BY REPRESENTATIVE ABRAMSON

REVENUE DEPARTMENT: Provides for remittance of sales and use tax under under protest

1 AN ACT

2 To amend and reenact R.S. 47:1576(A)(1)(b) and (2), relative to the remittance of tax under  
3 protest; to provide for the remittance of sales and use tax under protest; to provide  
4 for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:1576(A)(1)(b) and (2) are hereby amended and reenacted to read  
7 as follows:

8 §1576. Remittance of tax under protest; suits to recover

9 A.(1)

10 \* \* \*

11 (b) In the case of sales or use taxes that are required to be collected and  
12 remitted by a selling dealer as provided for in R.S. 47:304, the purchaser, in order  
13 to avail himself of the alternative remedy provided by this Section, shall remit  
14 protested sales or use tax to the ~~selling dealer, and~~ Department of Revenue, and at  
15 that time shall retain copies of documentation evidencing the amount of the sales or  
16 use tax paid to the dealer on the transactions. On or before the twentieth day of the  
17 month following the month of the transactions on which the selling dealer charged  
18 the tax, the purchaser shall inform the department by certified mail or other  
19 reasonable means of the dates and amounts of the protested taxes that were charged  
20 by the selling dealer, and shall give notice of the purchaser's intention to either file

1 suit or file a petition with the Board of Tax Appeals for purposes of recovery of the  
2 tax.

3 (2) Upon receipt of this notice, the amount remitted to the Department of  
4 Revenue ~~or the amount of protested taxes that have been paid to the selling dealer~~  
5 shall be placed in an escrow account and held by the secretary or his duly authorized  
6 representative for a period of thirty days. If suit is filed for recovery of the tax  
7 within the thirty-day period, or if a petition is filed with the Board of Tax Appeals  
8 for recovery of the tax paid within the thirty-day period, the funds in the escrow  
9 account shall be further held pending the outcome of the suit, the petition, or an  
10 appeal therefrom.

11 \* \* \*

12 Section 2. This Act shall become effective upon signature by the governor or, if not  
13 signed by the governor, upon expiration of the time for bills to become law without signature  
14 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
15 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
16 effective on the day following such approval.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 776 Engrossed

2016 Regular Session

Abramson

**Abstract:** Requires remittance to the Dept. of Revenue of sales taxes and use taxes paid under protest instead of remittance to the selling dealer when the purchaser intends to file suit or petition with the Board of Tax Appeal to recover the tax.

Present law requires taxpayers protesting the payment of taxes to remit to the Dept. of Revenue (DOR) the amount due and requires notice of the intent to file suit or a petition with the Board of Tax Appeals in order to recover the tax.

Present law requires, in the case of sales and use tax collected by a selling dealer and remitted under protest, that the purchaser remit the protested taxes to the selling dealer.

Proposed law changes present law by requiring that the purchaser remit the protested sales and use taxes to the DOR instead of to the selling dealer.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:1576(A)(1)(b) and (2))