

2016 Regular Session

HOUSE BILL NO. 717

BY REPRESENTATIVE STOKES

REVENUE DEPARTMENT: Provides relative to the funding of the operations of the Department of Revenue

1 AN ACT

2 To amend and reenact Section 2 of Act No. 198 of the 2014 Regular Session of the
3 Legislature and to enact R.S. 47:1608, relative to the Department of Revenue; to
4 provide for the funding of the Department of Revenue; to provide for the disposition
5 of certain taxes, penalties, and interest collected by the department; to provide for
6 certain requirements and limitations; to provide for certain interagency transfers; to
7 provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Section 2 of Act No. 198 of the 2014 Regular Session of the Legislature
10 is hereby amended and reenacted to read as follows:

11 * * *

12 Section 2. The Board of Tax Appeals and the secretary of the Department of
13 Revenue ~~may~~ shall enter into an agreement for a fixed annual interagency transfer to the
14 board as payment in lieu of filing fees owed by the secretary. Subject to appropriation by
15 the Legislature, the amount of monies agreed upon shall be fixed at one-hundredth of the
16 one percent of taxes and fees retained by the department according to the official forecast
17 adopted by the Revenue Estimating Conference as of the agency budget request submission
18 deadline.

19 * * *

20 Section 2. R.S. 47:1608 is hereby enacted to read as follows:

1 §1608. Disposition of Penalties and Self-Generated Revenue

2 A. The disposition of all state taxes, interest, and penalties collected by the
3 Department of Revenue pursuant to any provision of Title 47 of the Revised
4 Statutes, as amended, shall be governed by the following:

5 (1) State Taxes and Interest. Beginning July 1, 2016, an amount equal to one
6 percent of the state taxes and interest collected by or on behalf of the secretary of the
7 Department of Revenue shall be designated as self-generated revenue of the
8 Department of Revenue.

9 (2) Penalties.

10 (a) Beginning July 1, 2016, and ending June 30, 2017, of the amount of
11 penalties collected by the secretary of the Department of Revenue, no more than
12 thirty-five percent shall be designated as self-generated revenue of the department.
13 The remaining balance of penalties collected by the secretary of the Department of
14 Revenue shall be transferred to the state treasury for deposit into the state general
15 fund.

16 (b) Beginning July 1, 2017, and ending June 30, 2018, of the amount of
17 penalties collected by the secretary of the Department of Revenue, no more than
18 thirty percent shall be designated as self-generated revenue of the department. The
19 remaining balance of penalties collected by the secretary of the Department of
20 Revenue shall be transferred to the state treasury for deposit into the state general
21 fund.

22 (c) Beginning July 1, 2018, and thereafter, of the amount of penalties
23 collected by the secretary of the Department of Revenue, no more than twenty-five
24 percent shall be designated as self-generated revenue of the department. The
25 remaining balance of penalties collected by the secretary of the Department of
26 Revenue shall be transferred to the state treasury for deposit into the state general
27 fund.

28 B. Subject to appropriation by the legislature, monies designated as self-
29 generated revenues pursuant to the provisions of this Section shall be used by the

1 Department of Revenue for the administration and collection of taxes and for
2 operation of the department, including the fulfillment of the department's obligations
3 related to the costs of tax adjudication.

4 C. The provisions of this Section shall not apply to any amounts collected
5 by the secretary of the Department of Revenue required to be deposited into the
6 Transportation Trust Fund or to any other taxes specifically required to be deposited
7 into other special treasury funds pursuant to the Constitution of Louisiana.

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

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)]

HB 717 Original

2016 Regular Session

Stokes

Abstract: Provides for the disposition of all state taxes, interest, and penalties collected by the Dept. of Revenue and designates a portion of these collections to be self-generated revenue of the department.

Proposed law provides that beginning July 1, 2016, an amount equal to 1% of the state taxes and interest collected by or on behalf of the Dept. of Revenue (DOR) shall be designated as self-generated revenue of the department.

Proposed law provides, with respect to penalties collected by DOR, the following:

- (1) From July 1, 2016 thru June 30, 2017, no more than 35% of penalties collected shall be designated as self-generated revenue of DOR and the remaining balance of penalties shall be deposited into the state general fund.
- (2) From July 1, 2017 thru June 30, 2018, no more than 30% of penalties shall be designated as self-generated revenue of DOR and the remaining balance of penalties shall be deposited into the state general fund.
- (3) From July 1, 2018, and thereafter, no more than 25% of penalties shall be designated as self-generated revenue of DOR and the remaining balance of penalties shall be deposited into the state general fund.

Proposed law requires the self-generated revenues to be used by DOR for the administration and collection of taxes and for operation of the department.

Proposed law exempts amounts collected by DOR that are required to be deposited into the Transportation Trust Fund or any other taxes required to be deposited into other special treasury funds pursuant to present Constitution from the provisions of proposed law.

Present law authorizes an interagency transfer between the DOR and the Board of Tax Appeals in lieu of filing fees.

Proposed law changes present law to *require* rather than *authorize* the interagency transfer and fixes the amount of the monies transferred at 1/100th of 1% of taxes and fees retained by DOR according to the official forecast adopted by the Revenue Estimating Conference.

(Amends §2 of Act No. 198 of the 2014 R.S.; Adds R.S. 47:1608)