



LOUISIANA TAXPAYER AMNESTY FORTHCOMING

Governor Bobby Jindal announced today his plans to introduce a bill providing amnesty for qualifying taxpayers. Initial reports indicate that the bill will be similar to the Louisiana Tax Delinquency Amnesty Act of 2001 signed into law by former Governor Mike Foster.

Under the Tax Delinquency Amnesty Act of 2001, taxpayers who failed to report or pay taxes imposed by the State of Louisiana and collected by the Louisiana Department of Revenue, such as Louisiana income, sales, use, gift, and estate taxes, were entitled to a waiver of all interest and penalties. Taxpayers received the waiver if they filed an application for the waiver and paid their back taxes during a 60-day window period. However, taxpayers who were a party to criminal investigations or civil or criminal litigation for nonpayment, delinquency, or fraud with respect to taxes owed to the State of Louisiana were not eligible to participate in the program. In addition, the periods during which a taxpayer was currently involved in an ongoing or unresolved review or examination by the Louisiana Department of Revenue were not eligible for amnesty under the Act.

The Amnesty Program of 2001 was the most successful amnesty program in the history of Louisiana taking in just under \$192 million. By comparison, a 1989 amnesty program collected \$1.6 million; a 1987 program collected \$279,000; and a 1985 program collected \$1.2 million. The biggest differences between the 2001 program and the earlier programs were the removal of income limitations and the inclusion of matters in field audit.

The 2009 Amnesty Program is expected to provide a waiver of 50% of the interest and 100% of the penalty. If the rules of the 2001 Program are followed, taxpayers with matters in audit or litigation will have to agree with the assessment and waive the delays and appeal rights provided by statute. The 2009 Amnesty Program will include taxable periods beginning on or after July 1, 2001. If a liability is the result of a field audit, the last taxable period in the audit must begin on or after July 1, 2001.

Given the impending State budget deficit, this new amnesty program could provide relief for both the State of Louisiana and Louisiana taxpayers who wish to resolve with their obligations under Louisiana's tax laws.

– *Kimberly Lewis Robinson*



Remember that these legal principles may change and vary widely in their application to specific factual circumstances. You should consult with counsel about your individual circumstances. For further information regarding these issues, contact:

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