

## Alert: Brief Window of Opportunity for Louisiana State Tax Amnesty: September 1, 2009 through October 31, 2009

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August 18, 2009

In Act 519 of the Regular Session, the Louisiana Legislature has passed the Louisiana Tax Delinquency Amnesty Act of 2009. The Act authorized a tax amnesty program which is available only during the limited time frame of September 1 through October 31, 2009. The new law, which has been signed by the Governor, allows taxpayers to settle account balances, overdue audit assessments, and certain tax disputes with no penalties and only half of the interest otherwise due on the amount owed. The Louisiana Department of Revenue (LDR) is administering the program and has stated that the amnesty is available for:

- All taxes administered and collected by LDR, except for motor fuel taxes;
- Taxes that became due on or after July 1, 2001 and before January 1, 2009;
- Taxes due prior to January 1, 2009 for which LDR has issued a billing notice or demand for payment on or after July 1, 2001 and before May 31, 2009;
- Taxes for which the taxpayer and LDR have entered into an agreement to suspend the running of prescription until December 31, 2009;
- Taxes due on or before July 1, 2001, but were ineligible for an earlier amnesty program due to having a matter in civil litigation.

A taxpayer qualifies for amnesty:

- If the taxpayer failed to file a tax return or report;
- If the taxpayer failed to report all income or all tax, interest and penalties that were due;
- If the taxpayer claimed incorrect credits or deductions;
- If the taxpayer misrepresented or omitted any tax due; and/or
- If the taxpayer is under audit or in administrative or judicial litigation.

The Department has indicated that returns must be completed and filed in connection with the amnesty and that they will accept amended returns in connection with the amnesty. Also, payment of the tax and collection charges (and attorneys fees for cases in litigation in which the Department has hired outside counsel) as well as half of the interest during the amnesty period will be required, however, a taxpayer may use the amnesty process to address penalties even if the tax and interest has already been paid. The Department may also require that the taxpayer agree to the Department's interpretation of the issues for subsequent tax years through 2012. Taxpayers under criminal investigation or involved in criminal litigation will not qualify for amnesty.

If you have questions about the amnesty and think it may benefit you or your business, consult your tax advisor without delay as the window of opportunity is limited.