Certified Copy—a copy of any confidential and privileged document and which is signed by the secretary, or designee, and two witnesses before a notary public certifying that the copy is a true and correct copy of the original document in the records and files maintained by the secretary in the administration and enforcement of the tax laws of this state.

Search—an examination of the records and files maintained by the secretary in the administration and enforcement of the tax laws of this state in response to a request made by a taxpayer, or their authorized representative, for a copy of any tax return previously filed by the taxpayer or any other document subject to the provisions of R.S. 47:1508.

B. Fees

1. For authenticating a copy of any public rule, decision or order of the secretary, paper or report, the fee shall be $25.

2. For a copy of any tax return previously filed by the taxpayer or any other document subject to the provisions of R.S. 47:1508, the fee to search for the return or document shall be $15 for each year or tax period requested, regardless of whether the requested return or document is located.

3. For a certified copy of a return or other document, the fee shall be $25 for each return or document which is to be certified.

4. All fees shall be paid in advance by check, money order, or other authorized method of payment, made payable to the Department of Revenue. Cash cannot be accepted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1507 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 42:281 (February 2016).

Chapter 21. Interest and Penalties

§2101. Penalty Waiver

A. The secretary may waive a penalty in whole or in part for the failure to file a return on time or the failure to timely remit the full amount due when the failure is not due to the taxpayer's negligence and is considered reasonable. All penalty waiver requests must be in writing and be accompanied by supporting documentation. If the combined penalties for a tax period exceed $100, all of the facts alleged as a basis for reasonable cause must be fully disclosed in an affidavit sworn before a notary public in the presence of two witnesses and accompanied by any supporting documentation. The affidavit must be signed by the taxpayer, or in the case of a corporation, by an officer of the corporation. Where the taxpayer or officer does not have personal knowledge of such facts, the sworn affidavit may be signed on the taxpayer's or officer's behalf by a responsible individual with personal knowledge of such facts. In lieu of an affidavit, the taxpayer may submit a request for waiver of penalties for delinquency form signed by the taxpayer, or in the case of a corporation, by an officer of the corporation. Where the taxpayer or officer does not have personal knowledge of such facts, the request for waiver of penalties for delinquency form may be signed on the taxpayer's or officer's behalf by a responsible individual with personal knowledge of such facts. The request for waiver of penalties for delinquency form must be accompanied by any supporting documentation.

B. Before a taxpayer's request for penalty waiver will be considered, the taxpayer must be current in filing all tax returns and all tax, penalties not being considered for waiver, fees and interest due for any taxes/fees administered by the Department of Revenue must be paid.

C. In determining whether or not to waive the penalty in whole or in part, the department will take in account both the facts submitted by the taxpayer and the taxpayer's previous compliance record with respect to all of the taxes/fees administered by the Department of Revenue. Prior penalty waivers will be a significant factor in assessing the taxpayer's compliance record. Each waiver request submitted by the taxpayer will be considered on an individual basis. Each tax period or audit liability will be considered separately in determining whether the penalty amount mandates approval of the waiver by the Board of Tax Appeals. The delinquent filing and delinquent payment penalties will also be considered separately in making this determination.

D. In the case of a request to enter into a voluntary disclosure agreement with the Department of Revenue, the secretary will remit or waive delinquent penalties as provided in LAC 61:III.2103 and/or any other applicable rules and regulations promulgated by the Department of Revenue concerning the waiver or remittance of such penalties under its voluntary disclosure program.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1603.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of the Secretary, LR 27:866 (June 2001), amended LR 29:950 (June 2003), amended by the Department of Revenue, Policy Services Division, LR 41:557 (March 2015).

§2103. Voluntary Disclosure Agreements

A. Definitions. For purposes of this Section, the following terms have the meanings ascribed to them.

Applicant—any association, corporation, estate, firm, individual, joint venture, limited liability company, partnership, receiver, syndicate, trust, or any other entity, combination or group that submits or arranges through a representative for the submission of an application to request a voluntary disclosure agreement for a tax administered by the department. If the application is submitted through a representative, anonymity of the applicant can be maintained until the voluntary disclosure agreement is executed by the taxpayer and the secretary.

Application—a completed “application to request voluntary disclosure agreement” (Form R-60010) or an “application for multistate voluntary disclosure” filed with the Multistate Tax Commission’s National Nexus Program and all supplemental information including, but not limited to, cover letters, schedules, reports, and any other documents that provide evidence of the applicant's qualification for a voluntary disclosure agreement. Supplemental information requested by the department and timely provided by the applicant shall be considered part of the application.

Application Date—the date a fully completed application requesting a voluntary disclosure agreement is received by the department. Supplemental information requested by the department and timely provided by the applicant shall not extend or delay the application date.

Delinquent Penalty—any specific penalty imposed pursuant to R.S. 47:1603 or 1604.1 as a result of the failure of the taxpayer to timely make any required return or payment.

Department—the Louisiana Department of Revenue.

Look-Back Period—a period for which a qualified applicant agrees to disclose and pay the tax and interest due. The look-back period shall be as follows.

a. Except for taxes collected and not remitted, the *look-back period* shall include the current calendar year up to the date of registration with the department and the three immediately preceding calendar years.

b. For taxes collected and not remitted, the look-back period shall include all periods in which tax was collected and not remitted. This look-back period shall not affect the look-back period described in Subparagraph a of this Paragraph for undisclosed liabilities unrelated to tax collected and not remitted.

c. For discontinued, acquired, or merged entities, the look-back period shall include undisclosed liabilities in the last calendar year in which the qualified applicant had nexus within this state and the three immediately preceding calendar years.

d. The secretary and the applicant may agree to adjust a look-back period to include other years.

e. The look-back period(s) shall be established at the time the secretary or his authorized representative signs the voluntary disclosure agreement.

Non-Qualified Applicant—includes any taxpayer who:

a. is registered with the department as of the application date but failed to file returns or underreported the amount due for a tax for which a voluntary disclosure agreement is requested;

b. submitted returns, extensions, payments, or was registered more than 60 days prior to the application date for a tax for which a voluntary disclosure agreement is requested;

c. has been contacted by the department concerning a liability regarding a tax for which a voluntary disclosure agreement is requested, including but not limited to a potential liability or contact for the purpose of performing an audit of the taxpayer's records; or

d. is affiliated with another entity that has been contacted by the department for the purpose of performing an audit of the affiliated entity's records. A non-qualified *applicant* under this Subparagraph may become a qualified applicant after the audit of the affiliated entity has been completed, provided the applicant is not disqualified under the criteria listed in Subparagraphs a through c of this Paragraph.

Qualified Applicant—any taxpayer, other than a non-qualified applicant, subject to the reporting and payment of a tax imposed by the state of Louisiana. Notwithstanding anything to the contrary, any applicant that entered into a voluntary disclosure agreement with the department prior to July 1, 2014 shall be deemed a qualified applicant. Registration with the department for reporting and payment of any tax for which a voluntary disclosure agreement is not being requested will not disqualify a qualified applicant from entering into a voluntary disclosure agreement.

Secretary—the secretary of the Louisiana Department of Revenue and any duly authorized representative(s).

Signing Date—the date the voluntary disclosure agreement is signed by the secretary or his authorized representative.

Undisclosed Liability—a tax liability that became due during the look-back period and which has not been determined, calculated, researched, identified by or known to the department at the time of disclosure and which would likely not be discovered through normal administrative activities. The undisclosed liability must exceed $500 during the look-back period to qualify for consideration of a voluntary disclosure agreement. The secretary has the discretion to conduct an audit of the applicant's records to confirm the amount of the undisclosed liability.

Voluntary Disclosure Agreement—a contractual agreement between a qualified applicant and the secretary wherein the qualified applicant agrees to pay the tax and interest due on an undisclosed liability, and the secretary agrees to remit or waive payment of the whole or any part of the penalty associated with that liability and to restrict collection of prior liabilities to the look-back period, except for periods in which tax was collected and not remitted.

B. Acceptance of Offer to Enter into Voluntary Disclosure Agreement

1. After the secretary has reviewed the application and determined from the information included therein that the applicant qualifies for a voluntary disclosure agreement, the secretary shall send a copy of the agreement to the applicant or the applicant's representative for signature.

2. The applicant or applicant's representative, acting under the authority of a power of attorney, must sign the agreement and return it to the secretary within 30 calendar days of the postmark or e-mail date, or within any extension of time authorized by the secretary beyond 30 calendar days from the postmark or e-mail date.

3. After the signed agreement is received from the applicant, the secretary or his authorized representative will sign the agreement and return a copy of the agreement which has been signed by both parties to the applicant.

4. If the application was submitted to the Multistate Tax Commission, the applicant shall return signed agreements in accordance with policies established by the commission.

C. Waiver or Remittance of Payment of Penalty

1. After all tax and interest due for the look-back period have been paid, the delinquent penalties will be remitted or waived, unless the tax disclosed was collected but not remitted.

2. Where the tax was collected but not remitted, the secretary may consider waiving payment of the whole or any part of the delinquent penalties on a case-by-case basis.

D. Payment of Tax, Interest, and Penalty Due

1. All tax due for the look-back period must be paid within 60 calendar days of the secretary’s signing date of the voluntary disclosure agreement or within any extension of time authorized by the secretary beyond 60 calendar days of the signing date. All schedules or returns required by the secretary to show the amount of tax due must be included with this payment.

2. The secretary shall compute the interest and penalty due for the tax disclosed by the applicant and send a schedule by mail or email to the applicant or his representative showing the amount of tax, interest and delinquent penalty due. The applicant must submit payment of the full amount of the interest and any penalties not remitted or waived within 30 calendar days from the postmark or e-mail date of the schedule or, if applicable, within any extension of time granted by the secretary. If payment of the full amount due has not been received at the expiration of such time, the secretary may void the agreement.

E. The secretary may disclose tax information to the Multistate Tax Commission or any political subdivision of the state which has entered into an information exchange agreement with the department in order to coordinate the delivery and acceptance of applications for voluntary disclosure agreements. Any information so furnished shall be considered and held confidential and privileged by the Multistate Tax Commission or the political subdivision to the extent provided by R.S. 47:1508.

F. The terms of the voluntary disclosure agreement shall be valid, binding, and enforceable by and against all parties, including their transferees, successors, and assignees.

G. The secretary reserves the right to void the voluntary disclosure agreement if the applicant fails to comply with any of the conditions outlined in the agreement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1502, R.S. 47:1511, R.S. 47:1580, and R.S. 47:1603.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 41:558 (March 2015).

§2115. Abatement and Compromise of Interest

A. Abatement of Interest under R.S. 47:1601(A)(2)(c)

1. The following definitions apply when determining whether interest may be abated under R.S. 47:1601(A)(2)(c).

a. *Managerial Act*—an administrative act that occurs during the processing of a taxpayer's case involving the temporary or permanent loss of records or the exercise of judgment or discretion relating to management of personnel. A decision concerning the proper application of the law is not a managerial act. Further, a general administrative decision, such as the department's decision on how to organize the processing of tax returns or its delay in implementing an improved computer system, is not a managerial act for which interest can be abated under this Section.

b. *Ministerial Act*—a procedural or mechanical act that does not involve the exercise of judgment or discretion, and that occurs during the processing of a taxpayer's case after all prerequisites, such as conferences and review by supervisors, have taken place. A decision concerning the proper application of the law is not a ministerial act.

2. The following circumstances are examples of situations that do not constitute an unreasonable error or delay by the department.

a. Interest accrues as a result of the taxpayer's failure to pay the tax liability he calculates for each period when due.

b. Interest accrues as a result of the taxpayer's failure to pay the entire balance owed once he and the department are in agreement as to the amount of the balance.

c. Interest accrues while the taxpayer waits for a determination of his refund claim in order to offset prior period underpayments.

d. Interest accrues as a result of the taxpayer's failure to cooperate with department personnel. Examples include but are not limited to:

i. the taxpayer does not timely furnish information to the department;

ii. the taxpayer delays meetings or appointments with department personnel.

B. Compromise of Interest under R.S. 47:1601(A)(2)(d)

1. Before the secretary may consider compromising any amount of interest, the taxpayer must have paid all outstanding taxes.

2. When determining whether or not to compromise interest for a taxpayer, the secretary will examine the taxpayer's filing and compliance history, any special circumstances that may exist, and the hazards of litigation. This list is not all-inclusive.

3. Interest may be compromised when the department and the taxpayer interpret the law differently and there is no binding judicial decision regarding the issue. If interest is