

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

#### Issuance and Cancellation of a Lien; Fees (LAC 61:I.5302)

Under the authority of R.S. 47:295, R.S. 47:1511, R.S. 47:1577, and R.S. 47:1578 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to amend LAC 61:I.5302 to clarify when the secretary may release certain property subject to the recorded lien. Additionally, proposed amendments restrict taxpayers to only one approved offer in compromise in a 10-year period and require offers in compromise applications to be accompanied by a nonrefundable payment of at least 10 percent of the amount offered.

Act 56 of the 2004 Regular Legislative Session amended R.S. 47:1578(B) to clarify that in cases where the tax, penalty, or interest secured by a recorded lien have not been paid, the secretary may release any part of property subject to the lien if at least the value of the state's interest in the property, as determined by the secretary, is paid in partial satisfaction of the liability, or if the secretary determines that the state's interest in the part to be released has no value.

Louisiana Revised Statutes 47:1578 and 47:295 allow the secretary to compromise certain judgments for taxes as well as to waive, reduce, or compromise individual income tax, penalties, interest, or other amounts. The amendments add language to inform taxpayers and their representatives that the secretary will only accept one offer in compromise from a taxpayer in a 10-year period and that a nonrefundable payment of at least 10 percent of the amount offered must accompany the offer in compromise application.

#### Title 61

#### REVENUE AND TAXATION

#### Part I. Taxes Collected and Administered by the Secretary of Revenue

#### Chapter 53. Miscellaneous Fees

#### §5302. Issuance and Cancellation of a Lien; Fees

A. - C.3. ...

4. when the amount paid to the secretary in partial satisfaction of the liability is not less than the value of the interest of the state of Louisiana in the part of the property to be released or the secretary determines that the interest of the state of Louisiana in the part to be released has no value. This provision is subject to approval by the Board of Tax Appeals.

D. - E. ...

F. Offers in Compromise

1. The secretary will only accept one offer from any applicant in a 10-year period.

2. A nonrefundable payment of at least 10 percent of the amount offered must accompany an Offer in Compromise application.

G. The department shall assess a fee against the taxpayer for the filing of a tax lien and the cancellation of a lien. The amount of the fee to be assessed against the taxpayer shall be determined according to the amount charged the department by the parish in which the lien is filed. In the event a lien is filed in more than one parish for the same taxes, each lien

shall be treated separately and the total charges per parish for the liens shall be assessed against the taxpayer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:295, R.S. 47:1511, R.S. 47:1577, and R.S. 47:1578.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 28:347 (February 2002), amended LR 30:1045 (May 2004), LR 33:

#### Family Impact Statement

This Family Impact Statement is provided as required by Act 1183 of the 1999 Regular Session of the Louisiana Legislature.

1. Implementation of this proposed Rule will have no effect on the stability of the family.

2. Implementation of this proposed Rule will have no effect on the authority and rights of parents regarding the education and supervision of their children.

3. Implementation of this proposed Rule will have no effect on the functioning of the family.

4. Implementation of this proposed Rule will have no effect on family earnings and family budget.

5. Implementation of this proposed Rule will have no effect on the behavior and personal responsibility of children.

6. Implementation of this proposed Rule will have no effect on the ability of the family or a local government to perform this function.

Interested persons may submit data, views, or arguments, in writing to Annie L. Gunn, Attorney, Policy Services Division, Department of Revenue, P.O. Box 44098, Baton Rouge, LA 70804-4098 or by fax to (225) 219-2759. All comments must be submitted by 4:30 p.m., Thursday, March 22, 2007. A public hearing will be held on Tuesday March 27, 2007, at 9 a.m. in the River Room on the Seventh Floor of the LaSalle Building at 617 North Third Street, Baton Rouge, LA 70802-5428.

Cynthia Bridges  
Secretary

#### FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

#### RULE TITLE: Issuance and Cancellation of Lien; Fees

#### I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

This proposed amendment to LAC 61:1.5302 will conform lien release language with the language in R.S. 47:1578(B)(3) and incorporate more restrictive language in the department's Offer in Compromise program. Implementation of this proposed amendment will have no significant estimated costs or savings to state or local governmental units.

#### II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

This proposed amendment will have no significant effect on revenue collections of state or local governmental units.

With respect to the 10 percent required nonrefundable payment of the amount offered to compromise the judgment or assessment, if the offer is denied, the payment will be applied to the original tax liability and the remainder of tax due will be pursued through normal collection procedures.

#### III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

This proposed amendment will have no significant effect on costs for taxpayers seeking release from tax liens. Taxpayers seeking an Offer in Compromise will be restricted to one

application during a ten year period and will be required to submit a nonrefundable payment of at least ten percent of the offered amount with the application.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT  
(Summary)

This proposed amendment will have no effect on competition or employment.

Cynthia Bridges  
Secretary  
0702#055

Robert E. Hosse  
Staff Director  
Legislative Fiscal Office