



# LOUISIANA DEPARTMENT OF REVENUE

Collection Division & Business Tax Enforcement

# AGENDA

- PENALTY WAIVERS
- LIABILITY/SATISFIED LETTERS
- FEDERAL STATE MATCH PROGRAM
- MARCH & AUGUST FLOOD

# PENALTY WAIVERS

- A penalty may be waived 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.

# PENALTY WAIVERS

- 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.
- 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.

# PENALTY WAIVERS

- Penalty waivers have to be submitted on Form R-20128 which is the Penalty Waiver Request Form and accompanied by supporting documentation.

# LIABILITY CANCELLATION/SATISFIED LETTERS

- Collection sends Liability Cancellation /Satisfied letters when the appropriate adjustments have been made to the account and the account reflects a zero balance.

# FEDERAL STATE MATCH PROGRAM

- Each year LDR receives an electronic transmission from the IRS with information on taxpayers who have Louisiana mailing addresses and who have filed federal tax returns.
- The file is run against our records of taxpayers who filed Louisiana returns during that period.
- The Program identifies taxpayers who have filed Federal returns but have not filed Louisiana returns for the period identified.
- LDR sends Federal- State Match questionnaires to those taxpayers.

# FEDERAL STATE MATCH PROGRAM

- The individuals are instructed to complete the questionnaire and return to LDR.
- LDR determines whether or not the individual is required to file a Louisiana return based on the response received.
- If no response is received within the allotted time, a federal- state match bill is created in our processing system.



# FEDERAL STATE MATCH PROGRAM

## Proposed Assessment

- No return filed but identified to possibly be due such as the Federal-State match for individual income tax.
- 30 Day Proposed Assessment
- 60 Day Formal Assessment
- Statement of Account-notification of seizable status
- Notice of Intent to Offset and/or Suspend Licenses

# FEDERAL STATE MATCH PROGRAM

- If full payment of the debt is not received within 60 days from the date of the Notice of Intent to Offset letter, LDR will submit the liability as a candidate to the United States Treasury Offset Program.

# FEDERAL STATE MATCH PROGRAM

- If the debt is not resolved or documentation is not received to resolve the tax issue:
  - Debt will be submitted to FMS (Federal Management Services) to offset federal refund.
  - Debt could be assigned to a collection agency.

# FEDERAL STATE MATCH PROGRAM

In order to clear the bill the individual must provide one or more of the following:

- Other state return (showing same amount of income as reported on Federal return)
- LES (leave and earning statement)
- Voter's registration
- Other state motor vehicle registration
- Statement from other state motor vehicle department acknowledging the individual's driver's license was issued during the filing period(s) in question.

# FEDERAL STATE MATCH PROGRAM

- Utility bills, rent payments or other documents to support residency or the intent to establish a new domicile outside of Louisiana.
- Homestead Exemption
- Child's school attendance records
- Once the individual has provided proof that he/she is not a resident of Louisiana, the agent will reverse the estimate and send a liability cancellation letter to the taxpayer.

# MARCH & AUGUST FLOOD

- March Flood
- August Flood

# QUESTIONS



# INFORMATION

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