

**Revenue Information Bulletin No. 23-010**  
**February 15, 2023**

**Administrative**  
**Withholding Tax**

**Fresh Start Proper Worker Classification Initiative**

Act 406 of the 2022 Regular Session (“Act 406”) enacted R.S. 47:1576.3 and became effective January 1, 2023. The Fresh Start Proper Worker Classification Initiative (“Fresh Start Program”) allows employers who have been misclassifying a class or classes of workers as independent contractors to reclassify those workers and voluntarily disclose such reclassification to the Department of Revenue (“Department”) without liability for prior periods.

To qualify, the employer must have consistently treated the class or classes of workers as non-employees for the last three years. All employees in the same class must have been treated similarly. A class is a group of workers providing the same or similar services. The employer must have filed all IRS Forms 1099-NEC (or the predecessor IRS Form 1099-MISC) for all workers in the class. If income taxes were withheld or unemployment contributions were made for a worker, that worker was treated as an employee and the employer is disqualified from seeking relief under the program. Similarly, if unemployment insurance contributions were made for the worker, the worker was treated as an employee and the employer is disqualified.

Qualifying businesses must submit an [application](#) for the Fresh Start Program to the Department between January 1, 2023 and December 31, 2023. The application can be found on the Department’s website and must be submitted by email to FreshStart.LDR@LA.GOV.

The Department will review the application to verify eligibility and notify the business, in writing, of its determination. Notice that an application has been accepted serves as the closing agreement between the taxpayer and the Department. Upon receipt of this notice, the taxpayer shall treat the class or classes of workers subject to the application as employees beginning on the reclassified date stated in the closing agreement.

Questions related to the qualification and application for the Fresh Start Program should be directed to Louisiana Department of Revenue’s Audit Review and Appeals Division by email at FreshStart.LDR@LA.GOV.

**Kevin J. Richard, CPA**  
**Secretary**

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