

**Policy and Procedure Memorandum**

**PPM No. 40.3**

**Subject: Application for Voluntary Disclosure Agreements**

**Effective Date: June 13, 2019**

**This Policy and Procedure Memorandum supersedes any previously issued memoranda that conflict with these directives.**

**A. Purpose**

The purpose of this policy is to describe the procedures to be followed when a Taxpayer (i.e., “Applicant”) or their Representative, submit an application to the Louisiana Uniform Local Sales Tax Board (“Board”) to request a Voluntary Disclosure Agreement that involves two or more local sales and use tax Collectors in Louisiana.

**B. Statutory Authority**

R.S 47: 337.102(F) and LAC 72:I.105

**C. Definitions – the definitions in LAC 72:I.105 and the following definitions will apply to this Policy and Procedure Memorandum**

*Applicant*—any person or entity defined in LAC 72:I.105 that submits or arranges for the submission of an *Application to Request Voluntary Disclosure Agreement for Local Sales and Use Tax* (Form SB-60010) that involve two or more local sales and use tax Collectors in Louisiana.

*Application*—identified in LAC 72:I.105 as a completed form that confirms the Applicant has complied with the qualifications for entering into a Voluntary Disclosure Agreement. For purposes of this PPM, the “Application to Request Voluntary Disclosure Agreement” is Form SB-60010 (Application to Request Voluntary Disclosure Agreement for Local Sales and Use Tax) with complete responses to all questions and electronically signed.

*Application Date*—the date defined in LAC 72:I.105 when the Board receives a completed Application requesting a Voluntary Disclosure Agreement. If the Application is submitted through the Application Portal, the Application Date shall be the day the date and time stamp which the VDA System applies to the submitted Application.

*Application Number*—an automatically generated sequential number, which consists of numbers only and used for referencing Applications for Voluntary Disclosure Agreements and Voluntary Disclosure Agreements.

*Application Portal*—a webpage on the Board’s website that can be accessed by Taxpayers and their Representatives for filing Applications and viewing documents regarding the Voluntary Disclosure Agreements.

*Application to Request Voluntary Disclosure Agreement for Local Sales and Use Tax*—the document identified in LAC 72:I.105 as “Application to Request Voluntary Disclosure Agreement” that has been designated by the Board as Form SB-60010. Applicants must complete and sign this form and electronically submit it to the Louisiana Uniform Local Sales Tax Board when seeking relief from penalties in cases where liability to more than one local sales and use tax Collector is owed.

*Designated Person*—the full-time employee or Board member designated by the Board to perform any other tasks related to the administration of the Board’s Voluntary Disclosure Agreement Program.

*Digital Folder*—a directory or subdirectory on a storage device that is a component of the Board’s computer system or network and contains digitally encoded records pertaining to an Application for a Voluntary Disclosure Agreement including images of the Application, or any other electronically stored data.

*Notification*—the act of informing a Taxpayer that an Application for a Voluntary Disclosure Agreement has been received, approved or denied or informing a Collector that an Application for a Voluntary Disclosure Agreement has been submitted for the Collector’s parish and that the Applicant meets the qualifications for a Voluntary Disclosure Agreement.

*VDA System*—a software system, developed or acquired by the Board, to manage and organize data involving Applications for Voluntary Disclosure Agreements including SB-60010 forms, etc. received by the Board or any other electronically stored data. The VDA System will serve as the source of information for future retrieval of files and preparing reports on the results of the program.

## **D. General Procedures**

1. Received Applications
  - a. Applications received through the Application Portal, which has been electronically signed and dated. Incomplete applications will not be processed.
  - b. Relevant information will be entered, as appropriate, into the VDA System including the name of the person who filed the Application, their business name (if applicable) and mailing address (and email address if available), the Application Date, the Collectors (parishes) for whom the Application was filed and such other information the Board determines relevant.
  - c. The VDA System will generate an Application Number for reference purposes.

- d. The VDA System will automatically provide Notification to the Applicant that the Application was received by the Board. The automatic Notification will include the Application Number.
2. Applications submitted to the Board and the records of the VDA System will be saved electronically. All electronic data will be preserved in accordance with the Board's record retention policy.
3. Procedure when Applicant complies with Program Requirements
  - a. If the Applicant complies with the requirements to enter into a Voluntary Disclosure Agreement, the VDA system will automatically provide Notification to the Applicant that the Application was received by the Board, and a recommendation will be sent to all relevant local Collectors to enter into the Agreement and waive all delinquent penalties upon full payment of tax and interest due. The standard letter approved by the Board will be used for this purpose. The letter must include:
    - i. the statement of binding recommendation contained in LAC 72:I.105.C.3.a;
    - ii. a statement that the legal and, if one is used, trade name of the Taxpayer for whom the Application was filed must be provided to the Board;
    - iii. a statement that the name, title, email address and address of the person who will sign the agreement on behalf of the taxpayer must be provided;
    - iv. a statement that a copy of the power of attorney for the person who submitted the Application must be included with the response, if appropriate.
  - b. The VDA System, will provide Notification to the Applicant that the Voluntary Disclosure Agreement is available for viewing.
  - c. Once the legal and trade names of the Taxpayer, the name of the person who will sign the agreement for the Taxpayer, information regarding the look-back period and, if appropriate, a copy of the power of attorney for the person who filed the Application has been provided, the VDA System will prepare the agreements for signature by the applicable Collectors and the Taxpayer. The Application Number will be recorded on the Agreements for future reference.
  - d. The VDA System will transmit an email to the Taxpayer and the Collectors informing them that an Agreement is available for electronic signature. The Notifications will be sent simultaneously to the Taxpayer and the Collectors. The Collectors will also be provided with the Application information relevant to their Parish.
4. Procedure for Collectors and Taxpayer upon Approval of the Agreement
  - a. The VDA System will provide Notification to the Collectors and the Taxpayer that an agreement is available for their signature. Each party has 30 days to electronically sign the Voluntary Disclosure Agreement upon its delivery by the Board.
  - b. Once the Agreement has been signed by the Collectors and the Taxpayer, the parties will directly exchange schedules and information regarding the liabilities and arrange

for payment of the tax and interest. The Collector and the Taxpayer should mutually agree on the best method for performing these tasks.

- c. The Taxpayer will send to the Collector a schedule detailing the amount of tax due by month, including but not limited to transaction details such as: date of sale, physical shipping address, city name, zip code, gross sale amount, taxable sale amount, tax rate charged, and tax collected. The schedule must be sent within 60 days of the signature date of the Agreement. The Taxpayer shall include payment for the full amount of the tax due with the schedule. The Collector may grant an extension to this 60 day period.
  - d. Upon receipt of the schedule(s) of tax due, the Collector shall prepare a schedule or schedules itemizing the tax, interest and delinquent penalty due on the liability or liabilities. The schedule(s) shall be sent to the Taxpayer with a notice that the delinquent penalty will be waived upon full payment of the tax (if any remains) and interest due.
  - e. The Taxpayer shall submit payment for the full amount of tax (if any remains) and interest within 30 calendar days from the date of the schedule. The Collector may grant an extension to this 30 day period.
  - f. The Collector must waive all delinquent penalty due on the liability or liabilities once the full amount of the tax and interest has been paid.
  - g. If the Taxpayer fails to provide the information or make the payments required under LAC 72:I.105(F), the Collector may void the Agreement and proceed for collection of the tax, interest and penalty as if the Agreement did not exist. The Collector should notify the Taxpayer if this becomes necessary.
5. Data Collection Subsequent to the Agreement
- a. Upon the completion of transactions between the Collector and Taxpayer regarding the Voluntary Disclosure Agreement, it is requested that Collectors provide the Board with information on the amount of tax and interest paid and penalty waived by Application Number. Taxpayer name and account number are not required. The amounts paid or waived, will be entered into the Board's database for informational purposes.
  - b. If an Agreement is voided, the date and reason for this action and the amounts assessed, if known, must be provided for inclusion in the Board's database.
  - c. To ensure the accuracy and timeliness of the information maintained in the database, the Board may send reminders to Collectors at specific intervals requesting updates to fields that lack an entry. The Collector is required to provide the information or inform the Board that additional information is unavailable.
  - d. The Board reserves the right to prepare and issue annual reports for Voluntary Disclosure Agreement requests submitted through its office. The information included in the reports shall be presented in a generic format to avoid specific

identification of any Taxpayer. The reports, if prepared, may be made available to Collectors or any other appropriate body upon request.

**E. Implementation and Execution**

The Board's Executive Director shall be responsible for the implementation, execution or oversight of any procedures required by the policy.

The Board, in its sole discretion, may authorize exceptions to this policy by unanimous approval of its members provided such exception does not violate federal, state or local laws.

Revision History: Adopted by the Board, June 13, 2019 (new document).

**Signatures:**

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Gregory Ruppert  
Chairperson  
Louisiana Uniform Local Sales Tax Board

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Amber Hymel  
Vice-Chairperson  
Louisiana Uniform Local Sales Tax Board