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LOUISIANA TAX AMNESTY PROGRAM

The Tax Amnesty program is a two-month period from September 1 to October 31, 2009, during which resident and non-resident individuals, and in-state and multi-state businesses can pay their Louisiana state tax debts and, in exchange, the state will waive penalties and a portion of the interest. This is a voluntary program and each eligible taxpayer must determine if participation is in their best interest.

Tax Amnesty is not an "issue resolution program," so it may not always be the best option for taxpayers who currently are in litigation or mediation with the state. Businesses that owe tax to the state but do not take advantage of the amnesty program could shall be liable for back taxes, penalties and interest.

The benefit of participating in the amnesty program is that the Louisiana Department of Revenue (LDR) will forgive civil penalties and one-half of the balance of the accrued interest charges for all participants granted Tax Amnesty.

The tax amnesty program is available for:

- Those who failed to file a tax return or report;
- Taxpayers who failed to report all income or pay all tax, interest and penalties that were due;
- Taxpayers who claimed incorrect credits or deductions;
- Taxpayers who misrepresented or omitted any tax due; or
- Certain taxpayers under audit or in litigation.

The process in obtaining tax amnesty is as follows:

- Filing of an amnesty application and applicable returns or reports;
- During the Tax Amnesty period, payment of the tax and any collection fees assessed, billed, noticed, or demanded by LDR;

- During the Tax Amnesty period, payment of 50% of the accrued interest charges;
- By accepting amnesty, the participant agrees to waive appeal rights for the specific tax and periods upon which amnesty is granted;
- For eligible audits and litigation, participants agree to abide by LDR's interpretation of the law for all issues involved in the audit or litigation for taxable periods beginning in 2010, 2011, and 2012.

For more information visit the LDR website at: <http://revenue.louisiana.gov/sections/publications/LouisianaTaxAmnestyProgramFAQ.aspx>

HANDLING A WORTHLESS CHECK

Under Louisiana law, any check returned from a bank stamped "NSF" (non-sufficient funds), "Insufficient Funds," "No Such Account," "Account Not Found," or "NSF Unless Otherwise Indicated" is a worthless check that may be subject to prosecution under Louisiana's criminal statutes.

If you receive a worthless check from a customer, you should send the writer of the check a notice giving them 10 days from the receipt of your letter to pay the face amount of the check or checks, plus a service charge of: \$25 per check plus additional restitution equal to the amount that the bank or other depository charged the person or entity that initially honored the worthless check.

This demand letter must be sent by certified or registered mail, returned receipt requested, or by first class mail, to the address on the face of the check or to the address given at the time the check was issued, or to the person's last known address. Call the LSBA offices at 800-262-4483 for a sample demand letter or refer to your LSBA "Small Business Advisor" you received as part of your 2009 LSBA membership renewal.

Once you have either received the return receipt or the unclaimed letter, and have waited the required 10 days from the date the check writer would have received the letter, take a copy of your letter, the original check (or a certified front and back copy from your bank), and any other relevant information (copy of a contract, lease, work order, or invoice; statements made to you either orally or in writing by the check writer regarding the check; names of witnesses who know something about the check, etc.) to your local District Attorney's office. They will assist you in filing a Sworn Complaint against the writer, or they will tell you if the case is unsuitable for prosecution.

If the District Attorney declines to prosecute the check writer, you can still try to get the money owed you by filing suit in Small Claims Court.

LOUISIANA UNCLAIMED PROPERTY LAW

Unclaimed property is any funds or intangible personal property held or owing in the ordinary course of a holder's business that have remained unclaimed by the owner for a certain number of years.

Louisiana law states that property is presumed abandoned when the company (holder) who has possession of property owed to another cannot locate the owner for a specified number of years (holding period).

The Treasurer's office which administers this program has the authority to audit businesses in order to determine a company's compliance with this law.

The Treasurer also has the authority to assess interest and penalties on a holder who fails to report, pay, or deliver property within the time prescribed. A civil penalty of \$200 for each day the report, payment, or delivery is withheld, up to a maximum of \$5,000 may be assessed.

All unclaimed property owed to a Louisiana resident or corporation must be reported and if you are a Louisiana corporation you must also report all property for which you have no last known address of the owner. The law requires corporations to complete and mail two forms relative to unclaimed property - Form UP-1 and Form UP-2 report by November 1 of each year.

The forms and instructions on completing these forms can be found on the State Treasury website at: <http://www.treasury.state.la.us/Home%20Pages/UnclaimedProperty.aspx>.

Property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth below:

After One Year:

- Deposits held by utilities
- Refund ordered by court
- Dissolutions
- Wages and Payroll

After Two Years:

- Rents
- Royalties
- Mineral Proceeds
- Proceeds from demutualization

After Three Years:

- Reaching limiting age under mortality table
- Funds owing under life or endowment insurance policy
- Money or credits owed to a customer from retail business transaction
- Gift Certificates
- Dividends (stock or cash) (Effective 2006)
- Stocks or other intangible ownership interests (Effective 2006)

After Five Years:

- Bank Money Orders
- Bonds
- Cashier Checks
- Certified Checks
- Checks, drafts or similar instruments

After Seven Years:

- Express money orders or similar instruments

After Fifteen Years:

- Travelers checks

The Treasurer of the State of Louisiana, administers this program and can be reached by contacting the Unclaimed Property Division, P. O. Box 91010, Baton Rouge, Louisiana, 70821, 225/219-9400. <http://www.treasury.state.la.us/Home%20Pages/UnclaimedProperty.aspx>

You can call the LSBA offices at 800-262-4483 for further information.