

Local Sales & Use Tax Audits – Best Practices

Introduction:

The term “best practices” has become synonymous in many fields of endeavor as a system of actions that are designed to produce “best outcomes” as it relates to the ultimate objective of a group or related groups of activities. The LATA’s Local Audit Committee has worked to produce a set of best practices as they relate to the activity of local sales and use tax auditing of taxpayers subject to collection and payment of the tax as required by impositions of local ordinances.

Most tax systems are highly reliant on voluntary compliance. The audit is one measure the tax administrator uses to test the degree of such compliance. In general, the “results” of these tests are that the taxpayer has complied to a material degree, or the taxpayer has been deficient in compliance, resulting in an underpayment or overpayment of the tax due. Regardless of the audit results, the methodology used to arrive at the outcome should be based on sound and productive techniques. Therefore the tax administrator, the auditor and the taxpayer each have particular responsibilities in insuring that the process is accomplished in a thorough and efficient manner. This document is designed to promote such a process.

It should be noted that these practices are not intended to replace or supersede any requirement of law or regulation governing audit practices, such as collector’s right to examine the books and records of the taxpayer, proper notification, or due process afforded the taxpayer in disputed findings. However, viewed in conjunction with controlling law, adherence to the practices should produce the highest degree of confidence that the audit was conducted in the most thorough, thoughtful and productive manner.

The committee has designated thirteen factors in the local audit process and delineated the best practices in each area; that this, the responsibility of either the auditor, administrator or taxpayer, as the case may be, whose adherence to these “rules of conduct”, is designed to produce the stated objective: the effective and efficient testing and measurement of local sales/use tax compliance. It should be noted that, in reference to the auditor’s responsibilities and practices, the term “auditor” applies to both staff auditors employed by the taxing authority as well as contract auditors similarly employed.

Section 1. Audit Request Process (for Contractor Firms)

With respect to taxing authorities that maintain their own audit staff, the audit selection and assignment process will vary within each jurisdiction according to demographics, audit objectives and internal controls. Since several jurisdictions rely on contract audit firms as an integral part of their audit program, this section relates to the assignment request and approval practices by those firms and their central local collector employers. The minimal, basic information necessary for the administrator to evaluate the assignment request, the communication process between the contract firm and the administrator, and upon approval of the assignment, the initial contact with the taxpayer subject to the audit is described.

- A. Audits are to be requested on an offer / acceptance basis
- B. Audits can be selected based on the following guidelines
 - 1. Leads from other audits
 - 2. Type of Industry
 - 3. Assessor’s office or other governmental agencies
 - 4. Publications-Newspapers, directories, etc.
 - 5. Personal observation or experience
- C. Requesting Party shall provide the following information:
 - 1. Request information should be provided on each legal entity
 - 2. Proof of Nexus in the jurisdiction ([LA R.S. 47:301\(4\)](#))(Documentation may be provided to the taxpayer when requested)
 - 3. Provide a statement of assurance that the lead was developed in compliance with [LA R.S. 47:1508](#) or [LA R.S. 47:337.26\(C\)](#).
 - 4. General nature of business
 - 5. Reason the parish might want to audit this taxpayer
 - 6. Address where records are expected to be reviewed
 - 7. When available:

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- a. Registered account number of the legal entity being requested
 - b. Dates of taxable activity (for waiver of prescription determination)
 - c. Previous audit findings including, audit period, tax discovered and issues
- D. Parish should respond to firm within 30 days of original request
1. If assignment is tentative based on parish participation, parish should note the parameters of approval (i.e. minimum #of parish participation)
 2. Parish should take every precaution to assign the audit to only one audit firm for a given audit period
- E. Audit Firm to send assignment summary
1. List number of parishes assigned
 2. For determination of beginning of audit period, contractor firm should indicate expected start date
 3. Audit firm can provide a list of names for assigned parishes if a limited reciprocal agreement is in place with all parishes
- F. Parish to send letter directly to taxpayer pursuant to [LA R.S. 47:337.26](#)
1. Letter should be postmarked by certified mail from the Parish office
 2. Letter should be sent in a timely manner to the taxpayer, recommended to be within 5 days.
 3. Beginning period of audit should be listed on letter
- G. Audit firm shall attempt to make initial contact with the taxpayer
1. Within 30 days of assignment summary being presented to parish
 2. All attempts to contact should be documented
 3. If location of records changes when taxpayer is contacted, firm should notify all assigned parishes immediately

Section 2. Auditor Procedures: Pre-Audit

Prior to the examination of specific transactional records of the taxpayer, the auditor must conduct several preparatory actions that will enhance the start up and performance of the entire audit process. Pre-audit research can occur independent of and/or in conjunction with information provided by the taxpayer. The entrance conference is an opportunity for the auditor and taxpayer to establish an initial working relationship and “ground rules” for the duration of the audit. Methods of access to and utilization of taxpayer records is a critical element of the pre-audit preparation process and to the extent possible, data gathering issues should be resolved during this phase of the examination.

- A. Auditor to send a pre-audit questionnaire to taxpayer
1. Taxpayer shall return to the auditor prior to fieldwork
 2. Copy should be provided to parish with initial waivers or with final audit report, whichever is first
 3. Corporate Resolution may be sent to the taxpayer with questionnaire
- B. Research Industry and Company
1. Review Questionnaire
 2. Review Prior audit and understand issues
 3. Review tax filing history and other available account information provided by parish
 4. Review reference materials (i.e. TRIALS, court case decisions and legislation) applicable to this audit
- C. Entrance Conference
1. No additional parishes shall be requested once confidential information has been disclosed by the taxpayer
 2. Only the taxpayer may initiate an expansion of the audit to another parish after confidential information has been accessed. The auditor should avoid the appearance of soliciting additional audit work.
 3. An entrance conference should be performed in person or via phone
 - a. Create a good rapport with the taxpayer
 - b. Explain audit process and procedures.
 - c. Discuss a timeline for the audit process. Describe expected documents to be reviewed.
 - d. Establish method to retain audit exception document.
 - e. Discuss audit methods including the possibility of sampling.

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- f. Discuss treatment and review of possible credits or overpayments, including whether or not an outside firm will be retained to examine the audit results.
 - g. Auditors are trained to recognize overpayments/credits. However, should the taxpayer elect to use a credit consultant, the taxpayer should notify the auditor as soon as the taxpayer makes the election. If the taxpayer does not notify the auditor until after the completion of fieldwork and the audit completion would be delayed, the parish reserves the right to treat this as a separate refund request.
- D. Auditor should send an engagement letter to the taxpayer to
- 1. Confirm date of scheduled fieldwork, if applicable
 - 2. Confirm data needed for initial request and due dates of any data to be sent to the auditor
- E. Contract audit firms should inform the taxpayer of their right to a copy of the audit contract, their ability to contact the parish and reference the availability of parish contact information at the [taxpayers section of the LATA website](#).
- F. Data Gathering
- 1. Request documents needed to develop an understanding of the taxpayers accounting system
 - 2. If access to documents is refused, auditor should request support from parish administrator ([refer to 11](#))
 - 3. Determine the scope of the audit and accounts to be reviewed
 - a. The auditor should have access to statewide documentation in order to verify transactions are sourced to the appropriate jurisdictions. This information can be restricted to specific parishes if the taxpayer can substantiate to the auditor that all appropriate transactions have been presented. It is understood that the auditor will not use this information to solicit additional clients for the audit period.
 - 4. Based on practical expectations, the auditor and taxpayer should negotiate the date which the records can be provided in advance of fieldwork as well as the format of said records.
 - a. The taxpayer should timely provide the records as agreed upon.
 - b. Wherever possible, the taxpayer should provide reports and other documents in an electronic format to expedite the auditor's selection and review process ([LA R.S. 47:337.38](#))
 - 5. The auditor may grant the taxpayer two extensions for reasonable cause and shall refer the issue with recommended action to the administrator if the taxpayer does not comply
 - a. Each parish administrator should contact the taxpayer for a discussion of the reasons for delay and the available parish remedies
 - b. Auditor recommendations should include a detailed explanation and might include:
 - i. Additional extension of time
 - ii. Execution of Waiver
 - iii. Subpoena of records
 - iv. Estimated assessment
 - 6. Submit sampling agreement to taxpayer for signature
 - a. Sampling methods on an audit should be approved by the tax administrator(case-by-case or blanket approval)
 - b. The parties should agree to the sampling procedures as allowed by [LA R.S. 47:337.35](#).
 - c. Any claim by the taxpayer or auditor of a non-representative sample should be addressed prior to submission of work papers to the administrator

Section 3. Fieldwork and Write-up

This section establishes protocol to be observed by the auditor and taxpayer while the auditor is physically present on the taxpayer's premises, including communication with the taxpayer. It also directs the auditor in the standard preparation of documentation of audit findings and supervisory review prior to submission to the taxpayer.

A. Fieldwork Protocol

1. Auditor

- a. Adhere to taxpayer operational requirements (i.e. security procedures, appropriate attire, office equipment usage, etc)

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- b. Attempt to coordinate a work schedule with the taxpayer and inform them of any unexpected absences
 - c. Maintain open lines of communication as required
 - d. Exercise care with taxpayer records and return them in the order originally presented
 - e. Establish methods to preserve exception documents (i.e. copying, earmarking, and scanning). If taxpayer refuses some method of preservation of exceptions, then the taxpayer may be required to provide corresponding document before removal from audit exceptions.
 - f. Auditors are encouraged to discuss issues discovered during their fieldwork with the taxpayer and seek resolutions to disputes prior to the conclusion of field work
 - g. Auditors should adhere to the [LATA Code of Ethics](#) and the Code of Governmental Ethics as set forth in [LA R.S. 42:1101 et seq.](#) in all areas of the examination
2. Taxpayer
 - a. Provide a workspace for the auditors similar to that of their own accounting personnel
 - b. Designate a competent and knowledgeable taxpayer liaison that will be available throughout the audit to answer questions and provide documentation and information as needed.
 - c. Attempt to coordinate a work schedule with the auditor and inform them of any unexpected absences
 - d. All records requested should be available at the commencement of fieldwork
- B. Write Up and Reporting Standards
1. Audit exceptions should be presented in a standard set of reports at a minimum to include:
 - a. Summary of total audit tax, interest and penalty findings (all parishes). Parishes may elect to use the tax balance method pursuant to [LA R.S. 47.337.78.](#)
 - b. Summary of Exhibits by Parish
 - c. Exhibit of Tax, Interest and Penalty (include the date interest is run through)
 - d. Schedules of detailed tax deficient transactions by entry (including control numbers for each item, if available)
 - e. Letter designating the time period for review based on the complexity of the audit findings (including copy of assessment procedures)
 2. Work papers should be internally reviewed by a supervisor before being submitted to the taxpayer
 3. Audit reports should be organized in a logical manner whereby a novice taxpayer can understand the work papers as presented

Section 4. Exit Conference

Direction is provided to the auditor and taxpayer on the formal review of the audit work papers, schedules, exceptions, etc. and the preliminary resolution of any disputes related to the audit findings. This is also the opportune time for initial discussion of audit issues, dispute resolution and an explanation of the taxpayer's right to further review, a timeline within to do so, and assessment and appeal procedures.

A. Auditor

1. Provide a verbal explanation of audit schedules to the taxpayer and be open to valid explanations and documentation provided.
2. Discuss time allowed for taxpayer review
3. Review assessment procedures handout and answer any questions pertaining to taxpayer's rights
4. Discuss any issues uncovered during the audit, and allow taxpayer to provide explanations
5. Educate taxpayer on how they might increase compliance in the future
6. Offer statutory sites and jurisprudence to emphasize points and justify positions

B. Taxpayer

1. Question the auditor on any schedule items that are not understood
2. Discuss any issues uncovered during the audit, and allow the auditor to provide explanations

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Section 5 Taxpayer Review

Having received the audit findings, the taxpayer must utilize the review time established at the exit conference to ascertain the accuracy of the findings, document its position on transactions in dispute, and if necessary, request an extension of time to complete its review. The auditor is authorized to make adjustments as evidenced by the taxpayer's documentation and is further instructed as to treatment of unresolved disputes.

A. Taxpayer

1. Taxpayer should review work papers in the previously established time line.
2. Extensions of the original review time should be requested in writing and for a specific extension date
3. Exceptions should be noted on the auditor's work papers or on a separate report with the auditor's control numbers identified
4. Taxpayers should provide complete supporting documentation for all exceptions with the control number identified.

B. Auditor

1. Preliminary dispute resolution on unresolved issues between the auditor and the taxpayer
 - a. Unresolved exceptions should be referred to the auditor's field supervisor or manager.
 - b. If issues are not able to be resolved by the audit supervisor/manager, then the administrator can be contacted by the audit supervisor/manager for discussion
 - c. The audit supervisor/manager should communicate the administrator's position on unresolved issues
 - d. If no resolution is reached in these discussions, statute allows for official hearings during the proposed and formal assessment periods.

Section 6. Post Audit Conference and Communications

Following the expiration of the time allowed the taxpayer for review, and the auditor having made agreed upon adjustments, if any, the final work papers are to be presented to the taxpayer. This section delineates certain communications that should transpire between the auditor and taxpayer during this phase of the examination.

A. Auditor

1. Present final revised work papers to the taxpayer
2. Auditor must inform the taxpayer in writing that all further adjustments (during the assessment process) must be authorized by each parish administrator
 - a. Notice in writing to taxpayer: The fieldwork has been completed by this audit firm and is going to be submitted to the local collector. Any additional revisions to the audit findings must be adjusted only by the local collector unless the collector expressly authorizes the audit firm to continue to act on their behalf. It is important to understand that any extensions during the assessment process are to be granted only by the local collector.

B. Taxpayer

1. Taxpayer should let the auditor know if they are in agreement with the findings and indicate any specific issues that they expect to protest

Section 7. Submission to Parish by Contractor Firms

Similar to Section 3 recommendations regarding report writing and standards, this section advises contract audit firms with reports to report format and timing issues in the submission of their completed assignments.

A. Audit exceptions should be represented in a standard set of reports at a minimum to include:

1. Summary of Deficiencies by Parish
2. Exhibit of Tax, Interest and Penalty(include the date interest is run through)
3. Schedules of detailed tax deficient transactions by entry(including control numbers for each item)

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- a. Disputed items should be presented on a separate schedule
4. Audit Report
 - a. Details of the audit review,
 - b. Legal entity name, taxpayer contact and account information
 - c. Audit period and interest date
 - d. Note Expiration of waivers
 - e. List and explain all disputed items (resolved and unresolved)
- B. Audit reports should be submitted upon completion of taxpayer review and should not be delayed by credit or reverse audit firms(see [Section 2\(C\)\(3\)\(g\)](#))
- C. Audits with no findings
 1. Audit firms should report the following to the parish:
 - a. Tax period reviewed
 - b. Explanation of documents reviewed
 - c. Reason for no findings (i.e. compliance, no nexus, out of business)
 2. Parish Administrator shall issue a report of no findings to the taxpayer.
 - a. Should include tax period reviewed
- D. Audit reports should be submitted to the parish 45 days before period expiration to allow time for proposed and formal assessment procedures

Section 8. Assessment Process

Specific provisions of the Uniform Local Sales Tax Code must be utilized and followed explicitly for the legal assessment of any additional taxes found to be due as a result of an audit examination. The provisions are commonly referred to as the Proposed Assessment and the Formal Assessment. During this stage of the audit process, the taxpayer is also afforded the opportunity to address issues still in dispute by the convening of formal hearings directly before the local administrator.

[Act 640](#) of the 2014 regular session of the Louisiana Legislature amended the Uniform Local Sales Tax Code to make several significant changes to the local tax assessment and appeal process. Act 640 repealed the mandatory arbitration procedure, formerly provided by R.S. 47:337.51.1. In addition, the act provides that, for the first time, local assessments can be appealed to the Louisiana Board of Tax Appeals. Formerly, the Board of Tax Appeals handled only state tax matters.

- A. Parish Administrator should send a Notice of Intent to Assess (Proposed Assessment) to the taxpayer ([LA R.S. 47:337.48](#)) The proposed assessment informs the taxpayer of the administrator's determination of the amount of the taxes that are due, and further informs that taxpayer of the administrator's intention to assess the taxes after thirty days from the date of the proposed assessment.
 1. Taxpayer should inform the local collector of their desire to dispute the proposed findings and may request an extension of time to do so before the formal assessment is issued.
 2. If the exception documentation is to be provided directly to the audit firm, the administrator should authorize all subsequent work performed by the audit firm.
 3. If the taxpayer protests the proposed assessment and a hearing is requested:
 - a. Taxpayer
 - 1) Any protest should contain facts, figures and documentation for the specific items in dispute in accordance with [LA R.S. 47.337.49](#)
 - 2) Documentation to support the issues to be heard should be provided to the administrator 5-7 days prior to the hearing date for preliminary consideration, if possible
 - 3) Taxpayer should inform the parish of all attendees including, attorney, credit auditor, expert witness, etc.
 - 4) Be prepared to support the position of your protest with documentation and evidence for the specific items of dispute
 - b. Auditor

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- 1) In the event that the audit was conducted by a contractor firm, the audit firm representative should be available for consultation during the conference
- c. Parish
- 1) A date and time should be available for the taxpayer to adequately present their position
 - 2) The administrator or his designated employee should preside over the hearing procedures, in order that the administrator can fulfill their obligation to render a decision under [LA R.S. 47:337.49](#)
 - 3) Administrator should inform the taxpayer of all attendees including, attorney, auditor, etc.
 - 4) Results of the hearing should be documented and corresponded to the taxpayer as soon after the hearing as reasonably possible
 - 5) A continuation of the hearing is permissible if new and compelling evidence is to be presented.
4. [R.S. 47:337.48\(2\)](#) provides specifically that a proposed assessment shall not be appealable to the Board of Tax Appeals. An appeal can be taken to the Board of Tax Appeals only after the administrator has issued a formal assessment.
- B. Parish Administrator should send 30-day Notice of Assessment (Formal Assessment) certified to the officer of the taxpayer ([LA R.S. 47:337.51](#)) The Formal Assessment shall inform the taxpayer of the assessment and that he has thirty calendar days from the date of the notice to do any of the following:
1. Pay the amount of the assessment,
 2. Appeal to the Board of Tax Appeals for redetermination of the assessment,
 3. Pay under protest in accordance with [R.S. 47:337.63](#), and then either file suit or file a petition with the Board of Tax Appeals all as provided for in that Section.
- C. Any appeal from a decision of the Board of Tax Appeals in a case against a local collector may be reviewed in the Court of Appeal for the parish where the tax being litigated was levied, except in the case where the local collector and the taxpayer have agreed upon a different Court of Appeal. Appeals from Board decisions are no longer taken to the district court.
- D. If requested, the Parish Administrator should provide the audit firm with copies of both the proposed and formal assessment letters

Section 9. General Audit Firm Guidelines

Local tax collectors who utilize contract audit firms need to receive periodic reports from the firm regarding the status of assignments in their possession, the qualification of contract firm employees conducting local audit assignments, the firm's adherence to LATA guidelines and policy and safeguards in place regarding confidentiality requirements. This section provides for the nature and timing of these informational reports. Because contract audits, in past years, have been at the center of concerns expressed by the business community, these reports should provide for a greater awareness on the part of tax administrators of the several aspects of audit firm activities that are beyond their day to day purview.

- A. Quarterly status reports should be provided to each parish
1. It is recommended that the report include items such as stage of audit, audit hours expended to date, percentage of completion or expected completion date as well as comments and problematic issues
- B. Provide copies of all standard taxpayer correspondence as requested
1. Confirmation of Fieldwork and Document Requests
 2. Rescheduling of fieldwork (with reason provided)
 3. Change of Audit Period
 4. Sampling Letter
 5. Change of Address
 6. Difficulty receiving reports or source documents
 7. Issuance of waivers
- C. Maintain statements signed by all personnel that they have read, reviewed and will abide by the [LATA Code of Ethics](#).
- D. Maintain statements signed by all personnel that they have read, reviewed and will abide by [LA R.S. 47:1508](#).
- E. Report to parish at least annually, the results of all quality control measures instituted by the firm.

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- F. Report to the parish at least once annually, the qualifications of the staff performing the audit functions for the firm. Include the following on each employee:
 - 1. Name
 - 2. Title
 - 3. Education
 - 4. Full/Part Time
 - 5. Hire Date
 - 6. Accounting Experience
 - 7. Sales Tax Audit Experience
 - 8. Relevant Certifications
- G. Renew contracts on a regular basis, preferably every 3-5 years, and only if the firm has adopted and adhered to the LATA Best Practices wherever feasible
- H. Report at least once annually, the document retention and destruction policy of the firm as well as the internal safeguards for confidential taxpayer record storage
- I. In accordance with [LA R.S. 47:337.26\(C\)\(4\)](#), a lead auditor of a private agency or auditing firm performing an examination or audit function shall possess or have attained any of the following:
 - 1. An active certified public accountant license
 - 2. A bachelor's degree with a minimum of eighteen hours of accounting
 - 3. An active certified tax examiner's certificate issued by the Louisiana Association of Tax Administrators
 - 4. A minimum of six years experience in the field of state or local sales and use tax

Section 10. Waivers of Prescription

The Louisiana Constitution and related statutes provide that unpaid taxes, with some exceptions, prescribe three years from December 31 of the year in which the tax became due. The statutes also provide that such expiration may be extended by mutual agreement between the taxpayer and the tax collector. This extension usually takes the form of an executed document entitled Agreement to Waive Prescription or "waivers". This section provides guidelines for both parties regarding the timing and execution of waivers.

- A. At any point during the audit, if either the auditor or taxpayer does not feel accurate findings can be determined prior to completion deadlines/prescription, waivers should be discussed and considered.
- B. Ordinarily, a waiver will be executed for one year, however, administrators and taxpayers can consider shorter periods if such an agreement will expedite the completion of the audit
- C. Any waivers tendered beyond the initial waiver period should be approved by the administrator prior to execution by the taxpayer officer.
- D. Both the taxpayer and the auditor should recognize that the waiver is to facilitate accurate audit findings, but should not delay either parties actions required to swiftly bring the audit to a close
- E. Waivers should be executed 90 days prior to prescription of tax periods under audit
- F. The waiver of prescription should be signed by the authorized taxpayer representative as disclosed in the pre-audit questionnaire. Two original documents should be executed, one for each signing party.
- G. If the taxpayer timely executed the waiver, the auditor should insure the fully executed waiver is returned to the taxpayer prior to the date prescription runs. Upon request by the taxpayer the auditor may request an electronic copy be provided.
- H. Acceptable reasons to consider refusal of waivers
 - 1. Refusal by taxpayer
 - a. Prior to October 1st, no attempt has been made to schedule the audit in the current year
 - b. No contact or progress has been made by the auditor for an extended period of time
 - c. In general, when a compliance audit is assigned to an audit firm after August 1st, no waiver for the year prescribing December 31st should be required. However, if the administrator so desires and has reason to believe a liability exists, they may instruct the firm to obtain a waiver based on the beginning date of the audit period specified on the Notification of Audit Letter.
 - 2. By auditor/administrator

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- a. When all issues have been resolved or it has been determined that there is no mutual benefit to prolong the assessment process.
- b. When taxpayers or their agent have pursued actions that will adversely impact the collector's ability to determine the correct tax in an economical and reasonably expeditious manner.

Section 11. Parish Administrator Support Guidelines

Prior to invoking legal remedies available to the local administrator in cases where the taxpayer has refused to provide requested records, the administrator should personally investigate or inquire as to the reason for the refusal.

- A. A taxpayer cannot require a confidentiality contract as a stipulation to provide records.
 1. Louisiana Attorney General Opinion No. [98-110](#), states that "the collector has broad and sweeping powers to examine the records and premises of any taxpayer. We find no legal authority for the taxpayer to require contractual guarantees, personal bonds or any other condition precedent which would inhibit the authority of the collector to conduct his examination."
 2. However, during the audit review, if a taxpayer is required to divulge patented or proprietary manufacturing processes, they may request a memorandum of understanding be signed specifically covering the confidential nature of the proprietary process.
- B. In the event that a taxpayer refuses to provide some or all of the documents requested for audit:
 1. Parish administrator should determine from the auditor which documentation is being refused and why
 2. Parish administrator should make personal contact with the taxpayer for discussion of the records being refused
 3. If required the administrator may compel the taxpayer to cooperate or take appropriate measures including:
 - a. Advise the taxpayer of the requirements to maintain records in [LA R.S. 47:337.29](#), the collector's authority to determine the tax in [LA R.S. 47:337.28](#) and the authorities' obligation to perform an audit under [LA R.S. 47:337.35](#)
 - b. Subpoena records and request the court to compel the taxpayer to provide the records according to [LA R.S. 47:337.41, 42, and 43](#)
 - c. Estimate the assessment according to the collector's authority in [LA R.S. 47:337.28](#)

Section 12. Disposition of Records

- A. Retention/return of records shall be in accordance with [LA R.S. 47:337.26\(D\)\(3\)](#).
 1. Upon completion of the audit or examination, all original information obtained by the private agency or auditing firm from the taxpayer in connection with the audit or examination, whether written or in electronic form, shall be returned to the taxpayer, and the private agency or auditing firm shall not retain any copies of such information. All taxpayer related information derived, compiled, or generated by the private agency or auditing firm in any form whatsoever, including audit schedules, working papers, and copies of information received from the taxpayer, shall be delivered to the tax collector, except to the extent such information may be retained by certified public accountants in accordance with the Louisiana Accountancy Act.
 2. No provision of this Section shall prohibit a private agency or auditing firm from retaining books and records of a taxpayer until the termination of any legal proceedings related to the audit or examination.
 3. The tax collector and the private agency or auditing firm may enter into a written agreement in accordance with this Subparagraph, authorizing such private agency or auditing firm to act as agent for the storage and safekeeping of documents otherwise required to be maintained by the tax collector. Such documents shall be maintained in accordance with [R.S. 47:1508 et. seq.](#)

Section 13. Board of Tax Appeals

The Local Tax Division of the Louisiana Board of Tax Appeals was created by Act 640 of 2014 to provide a forum for the uniform adjudication of Local Sales and Use Tax disputes. The mission of the Board of Tax Appeals is to provide taxpayers and taxing authorities with an accessible, fair and efficient appeals process and to resolve appeals in a timely and judicious manner

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by facilitating settlement or by issuing comprehensive written decisions consistent with Louisiana Law. Since the BTA is a new venue for local sales taxes, the following information is merely offered as general information.

The Board of Tax Appeals is an independent, quasi-judicial, administrative agency composed of three attorney members appointed by the Governor. The Board was created to resolve appeals from decisions of various taxing officials and administrative agencies.

The law provides that one member of the Board of Tax Appeals is selected to serve as Hearing Judge of the Local Tax Division. This Local Tax Judge is selected to a six-year term from an equally balanced nominating committee, with half comprised of taxpayer and business representatives and the other half appointed by Louisiana local government officials.

All Local cases filed with the board prior to January 1, 2015 will be heard in the Local Tax Division. Commencing January 1, 2015, each local collector was given an option to file a formal election to have all of their cases to continue to be heard solely by the Local Tax Division. Nearly all parish collectors have made that election. The Local Tax Judge will continue to hear all cases from these parishes, and the full board will hear local cases in the remaining two parishes of Avoyelles and Jackson.

Contact information for the Board of Tax Appeals is as follows:

Louisiana Board of Tax Appeals
5615 Corporate Blvd., Suite 600-B
Baton Rouge, LA 70808
225 -922-0172

The Board maintains a very informative web site that can be accessed at <http://labta.louisiana.gov/index.html>.

Certification:

The L.A.T.A. Board of Directors, at its annual meeting on December 11th, 2014 in Lafayette, Louisiana, by unanimous vote, does hereby adopt and endorse the amended Local Sales & Use Tax Best Practices document as presented by the Local Audit Committee.

Signed:

/Thomas H. O'Neal/
Secretary-Treasurer
Louisiana Association of Tax Administrators

Witnesses:

/Mark West/, Ascension Parish Tax Commission, Co-chair, Local Audit Committee
/Lisa Broussard /, Broussard Partners & Associates, Co-chair, Local Audit Committee