

Income/Franchise:

Louisiana DOR Announces Transfer Pricing Managed Audit Program that Begins November 1

Revenue Information Bulletin No. 21-029, La. Dept. of Rev. (10/26/21). The Louisiana Department of Revenue (Department) announced that beginning November 1, 2021, it “invites eligible corporation income taxpayers to participate in a voluntary initiative aimed at proactively and efficiently resolving intercompany transfer pricing issues via the Louisiana Transfer Pricing Managed Audit Program.” According to the Department, this initiative will utilize the managed audit program as established by La. Rev. Stat. section 47:1541(D). The Department’s announcement bulletin additionally explains the new program’s eligibility requirements for interested taxpayers, as well as procedures for approved taxpayers. To qualify for participation, the Department states that a taxpayer must meet the following requirements:

URL: <https://revenue.louisiana.gov/LawsPolicies/RIB%2021-029%20LA%20Transfer%20Pricing%20Managed%20Audit%20Program.pdf>

- Established history of “voluntarily tax compliance” with the Department, if previously registered with the Department;
- Certification that the taxpayer has available time and resources to dedicate as a participant in this new program;
- “Available and suitable records” concerning intercompany transactions; and
- Reasonable expectation of ability to pay an expected liability.

Benefits of participation potentially may include abatement of underlying penalties and up to 180 days of interest. The Department provides that requests for approval to participate in the program must be received on or before April 30, 2022, and that all managed audits pursuant to this program must be closed by June 30, 2022.

See forthcoming Multistate Tax Alert for more details on this new program, including related taxpayer considerations, and please contact us with any questions in the meantime.

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