

ORDINANCE NO. _____

An ordinance amending Article 1.12 of Chapter 2 of the Los Angeles Municipal Code to create the Tax Penalty Amnesty Program of 2020 with respect to taxes imposed pursuant to Article I (Business Taxes), including the taxes imposed with respect to cannabis pursuant to Los Angeles Municipal Code section 21.51, Article 1.1 (Telephone, Electricity, and Gas Users Taxes), Article 1.3 (Commercial Tenant's Occupancy Taxes), Article 1.7 (Transient Occupancy Taxes), and Article 1.15 (Parking Occupancy Taxes).

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Article 1.12 of Chapter 2 of the Los Angeles Municipal Code is repealed in its entirety and replaced to read as follows:

ARTICLE 1.12

TAX PENALTY AMNESTY OF 2020

SEC. 21.12.1. DEVELOPMENT AND ADMINISTRATION OF PROGRAM.

The Director of Finance shall develop and administer a Tax Penalty Amnesty program as authorized and provided in this article.

SEC. 21.12.2. DURATION AND APPLICATION OF PROGRAM.

The Tax Penalty Amnesty program shall be conducted during the period of October 1, 2020, through December 17, 2020. The program shall apply to penalties for delinquent tax liabilities for tax periods ending on or before December 17, 2020, with respect to Article I (Business Taxes, including taxes imposed with respect to cannabis pursuant to Los Angeles Municipal Code Section 21.51), Article 1.1 (Telephone, Electricity, and Gas Users Taxes), Article 1.3 (Commercial Tenant's Occupancy Taxes), Article 1.7 (Transient Occupancy Tax), and Article 1.15 (Parking Occupancy Taxes) of this Chapter.

SEC. 21.12.3. ELEMENTS OF PROGRAM.

a For any taxpayer who meets the requirements of Section 21.12.5 of this article:

(a) The tax penalties imposed under Article I (Business Tax, including taxes imposed with respect to cannabis pursuant to Los Angeles Municipal Code section 21.51), Article 1.1 (Telephone, Electricity, and Gas Users Taxes), Article 1.3 (Commercial Tenant's Occupancy Taxes), Article 1.7 (Transient Occupancy Taxes), and Article 1.15 (Parking Occupancy Taxes) of this Chapter shall not apply to any taxes for the tax periods for which Tax Penalty Amnesty is

requested. The Tax Penalty Amnesty shall not apply to any tax or tax period which the taxpayer did not clearly identify in the application for Tax Penalty Amnesty.

(b) No criminal action based upon the nonreporting or underreporting of tax liabilities or the nonpayment of any taxes shall be brought against the taxpayer for any tax period for which the taxpayer has complied with the provisions of Section 21.12.5 of this article.

SEC. 21.12.4. PREVIOUS ASSESSMENTS, PAYMENTS, AND LITIGATION.

The Tax Penalty Amnesty shall not apply and no refund or credit shall be granted of any penalty if, prior to the time the taxpayer makes a request for tax penalty amnesty pursuant to Section 21.12.5 of this article, the penalty has been paid by the taxpayer. The Tax Penalty Amnesty shall apply to tax penalties being challenged administratively or through litigation provided the tax penalty has not been paid at the time of the application and the tax otherwise qualifies under this article, provided the Tax Penalty Amnesty does not result in a refund or credit.

SEC. 21.12.5. REQUISITES FOR COMPLIANCE WITH PROGRAM.

(a) The provisions of this article shall apply to any taxpayer who, on or after October 1, 2020, and on or before December 17, 2020, files an application for tax penalty amnesty and complies with the following conditions:

1. Substantially complies with the application procedure created and administered by the Director of Finance;
2. Pays in full all taxes and interest due before December 17, 2020, relating to the application submitted to the Office of Finance; and
3. Pays all costs and fees incurred with respect to the collection of any delinquent taxes at the time the application is submitted to the Office of Finance.

(b) For any taxes subject to amnesty under this program, the Director of Finance may enter into an installment payment agreement, as provided for in Section 21.18 of Article I of this Chapter, in lieu of the complete payment required under Subdivision 2 of Subsection (a) of this section. Failure of the taxpayer to fully comply with the terms of the installment payment agreement shall render the waiver of any penalty applicable thereto null and void, unless the Director of Finance determines that the failure was due to reasonable cause and the taxpayer substantially complied with the terms of the installment agreement. An installment agreement under this article shall have a maximum term of six months, by which date all taxes, interests, fees, and costs must be fully paid, unless the taxpayer has already entered into an installment agreement with the Office of Finance, in which case the Director may use her discretion

to alter any existing installment agreement to reflect the intent of the Tax Penalty Amnesty Ordinance of 2020.

SEC. 21.12.6. SUBSEQUENT DEFICIENCIES.

If, subsequent to December 17, 2020, the Director of Finance issues a billing, deficiency determination or assessment for a tax period for which Tax Penalty Amnesty was granted, penalties shall not be imposed with respect to the amounts paid to satisfy the requirements for the Tax Penalty Amnesty Program. This section shall not invalidate any waiver granted under Section 21.12.3 of this article.


SEC. 21.12.7. IMPLEMENTATION OF ARTICLE.

The Director of Finance shall adequately publicize the tax penalty amnesty program, issue forms and instructions, and take other actions needed to implement this article. The Director of Finance shall have the discretion to create the application for the Tax Penalty Amnesty of 2020. The Office of Finance shall have the discretion to determine whether a taxpayer has substantially complied with the requirements of the Tax Penalty Amnesty of 2020. No later than May 31, 2021, the Director of Finance shall report to Council the number of taxpayers for whom penalties were waived and the total amount of penalties waived pursuant to this article.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
DANIEL M. WHITELY
Deputy City Attorney

Date 9-10-20

File No. _____

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The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____