

NOTICE OF INTENT

Department of Revenue Policy Services Division

Individual Income Tax Filing Extensions (LAC 61:III.2501)

Under the authority of R.S. 47:1511, 103(D), and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to amend LAC 61:III.2501 to mandate the electronic filing of a request for an extension to file an individual income tax return.

The secretary of revenue is authorized, but not required, to grant a reasonable extension of time to file a Louisiana individual income tax return. It has been Louisiana Department of Revenue (LDR) practice in past years to accept paper extensions, submitted prior to or with the return. Beginning with returns due on or after January 1, 2011, individuals needing additional time to file their income tax returns must electronically request an extension of time to file on or before the return due date. (2010 returns will be due May 16, 2011).

This proposed amendment of LAC 61:III.2501 should not have any known or foreseeable impact on any family as defined by R.S. 49:972(D).

Title 61

REVENUE AND TAXATION

Part III. Administrative Provisions and Miscellaneous

Chapter 25. Returns

§2501. Individual Income Tax Filing Extensions

A. Louisiana Revised Statute Title 47, Section 103(D) provides that the secretary may grant a reasonable extension of time to file a state individual income tax return, not to exceed six months from the date the return is due.

1. To obtain a filing extension, the taxpayer must make the request on or before the tax return's due date.

2. A taxpayer must request a state filing extension by submitting an electronic application.

3. An electronic application may be submitted via:

- a. the Department of Revenue's web site at www.revenue.louisiana.gov;
- b. tax preparation software; or

c. any other electronic method authorized by the secretary.

B. Filing Extension Does Not Extend Time to Pay Tax

1. A filing extension granted by the secretary only allows for an extension of time to file the tax return. The extension does not allow an extension of time to pay the tax due.

2. To avoid interest and penalty assessments, taxes due must be prepaid on or before the original due date.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511, and 103(D).

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 37:

Family Impact Statement

The proposed adoption of LAC 61:III.2501, regarding Individual Income Tax Filing Extensions, should not have any known or foreseeable impact on the stability of the family, the authority and rights of parents regarding the education and supervision of their children, the functioning of the family, family earnings and family budget, the behavior and personal responsibility of children, the ability of the family or a local government to perform this function.

Small Business Statement

In accordance with R.S. 49:965.6, the Regulatory Flexibility Act, the Department of Revenue has determined that the proposed adoption of this Rule will have negligible impact on small businesses.

Public Comments

Interested persons may submit data, views, or arguments, in writing to Shone Pierre, Assistant Secretary, Office of Legal Affairs, Louisiana Department of Revenue, P.O. Box 44098, Baton Rouge, LA 70804-4098 or by fax to (225) 219-2759. All comments must be submitted by 4:30 p.m., Tuesday, December 28, 2010. A public hearing will be held on Wednesday, December 29, 2010, at 9:00 a.m. in the River Conference Room on the 7th Floor of the LaSalle Building at 617 North Third Street, Baton Rouge, LA 70802-5428.

Cynthia Bridges
Secretary

**FISCAL AND ECONOMIC IMPACT
STATEMENT FOR ADMINISTRATIVE
RULES**

**RULE TITLE: Individual Income Tax Filing
Extensions**

**I. ESTIMATED IMPLEMENTATION COSTS
(SAVINGS) TO STATE OR LOCAL
GOVERNMENT UNITS (Summary)**

This proposed amendment to LAC 61:III.2501 mandates the electronic filing of requests for extensions to file individual income tax returns. There is no anticipated cost to implement this amended rule, but this amendment will allow the reallocation of resources being used to process paper extension requests to other tax processing functions.

The current fiscal year budget for the Revenue Processing Center (RPC) has been cut by \$1 million. In FY 10, the Department paid about \$725,000 for roughly 100 temporary workers. In FY 11, the Department has \$374,000 available for temporary workers and anticipates an increase in processing time. In the past, RPC has utilized temporary personnel during the income tax rush to, among other things, process paper extension requests. Since RPC will lack the financial resources to hire as many temporary personnel for the FY 11 income tax rush, mandating the electronic filing of every request for an extension to file an individual income tax return will allow RPC to process those requests using available personnel.

**II. ESTIMATED EFFECT ON REVENUE
COLLECTIONS OF STATE OR LOCAL
GOVERNMENTAL UNITS (Summary)**

The proposed amendment to this rule, mandating the electronic filing of all requests for an extension to file an individual income tax return, will have no effect on revenue collections of state or local governmental units. Extension requests are currently accepted by paper or electronically.

**III. ESTIMATED COSTS AND/OR ECONOMIC
BENEFITS TO DIRECTLY AFFECTED PERSONS
OR NONGOVERNMENTAL GROUPS (Summary)**

Every individual taxpayer filing a request for an extension to file an individual income tax return will be affected by the proposed

amendment to this rule. The proposed rule limits individual extension filing to electronic means while the current rule allows paper or electronic filing. However, because extension requests can be filed electronically through the LDR web site or through tax preparation software for free, there is no anticipated cost to these taxpayers. The Department will have internet kiosks available in all Department of Revenue offices and internet access is also available through public libraries. This proposed rule will serve to alleviate some of the reliance on temporary workers related to extensions and will not result in a decrease in processing time for returns as most e-file mandates do given budgetary limitations.

**IV. ESTIMATED EFFECT ON COMPETITION AND
EMPLOYMENT (Summary)**

The proposed amendment to this rule should not affect competition or employment.

Cynthia Bridges
Secretary
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Robert E. Hosse
Staff Director
Legislative Fiscal
Office