

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

#### Corporation Income and Franchise Tax Filing Extensions (LAC 61:III.2503)

Under the authority of R.S. 47:1511, 1514, 287.614(D), 612, 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.2503, to mandate the electronic filing of a request for an extension to file a Corporation Income and franchise Tax return.

The secretary of revenue is authorized, but not required, to grant a reasonable extension of time to file a Louisiana corporation 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, corporate taxpayers needing additional time to file a corporation income and franchise tax return must electronically submit a request for an extension of time to file on or before the return due date.

This proposed amendment of LAC 61:III.2503 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

#### §2503. Corporation Income and Franchise Tax Filing Extensions

A. Louisiana Revised Statute Title 47, Section 287.614(D) provides that the secretary may grant a reasonable extension of time to file a state corporation income and franchise tax return, not to exceed seven 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](http://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, income and franchise taxes due must be prepaid on or before the original due date.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511, and 287.614(D).

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

#### Family Impact Statement

The proposed adoption of LAC 61:III.2503, regarding Corporation Income and Franchise 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 10 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: Corporation Income and  
Franchise Tax Filing Extensions**

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

This proposed amendment to LAC 61:III.2503 mandates the electronic filing of requests for extensions to file corporation income and franchise 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; resulting in a cost savings.

**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 a corporation income and franchise 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)**

The current fiscal year budget for the Revenue Processing Center (RPC) has been cut by \$1 million. 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 temporary personnel for FY 11 income tax rush, mandating the electronic filing of every request for an extension to file a corporation income and franchise tax return will allow RPC to process those requests using available personnel.

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

This 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