

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, 1514, 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 adopt LAC 61:III.2501 to require taxpayers who are unable to file the state individual income tax return by the due date to request an extension to file.

The Secretary of Revenue is authorized, but not required, to accept an extension of time to file a federal income tax return as an extension of time to file a Louisiana income tax return. It has been Louisiana Department of Revenue (LDR) practice in past years to use this authorization to accept federal extensions, with copies of the federal extensions submitted with the Louisiana return. The evolution of technology has allowed the IRS to grant federal extensions electronically, with no paper extension issued to the taxpayer. The increased use of "paperless" federal extensions has made it impossible for taxpayers to attach a copy of the federal extension to their state returns. At the same time, increased use of technology by LDR has made obtaining a state extension via the Internet possible. Beginning with the 2008 income tax return due in 2009, individual taxpayers who need additional time to file their Louisiana individual income tax returns will need to either request a specific state individual income tax filing extension or submit a copy of the taxpayer's Federal Application for Automatic Extension of Time To File U.S. Individual Income Tax Return on or before the return due date.

Title 61

REVENUE AND TAXATION

Part III. Administrative Provisions and Miscellaneous

Chapter 25. Returns

§2501. Individual Income Tax Filing Extensions

A. The secretary may grant a reasonable extension of time to file a state individual income tax return, not to exceed six months.

1. To obtain a filing extension, the taxpayer must make the request on or before the tax return's due date.
2. A taxpayer may request a state filing extension by submitting:
 - a. a paper copy of an Application for Extension of Time to File Louisiana Individual Income Tax;
 - b. an electronic application for an extension via the Department of Revenue's web site; or
 - c. a paper copy of the IRS Application for Automatic Extension of Time To File U.S. Individual Income Tax Return.

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, estimated taxes due should be paid on or before the original due date.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511, 1514, and 103(D).

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 35:

Family Impact Statement

The proposed adoption of LAC 61:III.2501, requiring taxpayers to obtain a specific state filing extension should not have any known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability, and autonomy. The implementation of this proposed Rule will have no known or foreseeable effect on:

1. the stability of the family;
2. the authority and rights of parents regarding the education and supervision of their children;
3. the functioning of the family;
4. family earnings and family budgets;
5. the behavior and personal responsibility of children; and
6. the ability of the family or a local government to perform this function.

Interested persons may submit data, views, or arguments, in writing to Leonore Heavey, Senior Policy Consultant, Policy Services Division, 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., Wednesday, February 25, 2009. A public hearing will be held on Thursday, February 26, 2009, at 1:30 p.m. in the River Room 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 Rule requires taxpayers requesting an extension to file an individual income tax return to obtain a state extension. This will allow the reallocation of some resources and staff used in the billing of late filing penalties to other tax processing activities.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
This proposed Rule, which requires taxpayers requesting an extension to file an individual income tax return to obtain a state extension, will have no impact on the revenue collections of state or local governmental units.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
Taxpayers who obtain a federal filing extension are no longer provided confirmation of an approved federal filing extension. Therefore, because an approved filing extension does not accompany their state return, taxpayers are assessed a delinquent filing penalty based on the amount of the tax due. Requiring these taxpayers to obtain a state extension of time to file their return will alleviate the expense of rebutting the assessments.
- IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)
This proposed Rule should not affect competition or employment.

Cynthia Bridges
Secretary
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Robert E. Hosse
Staff Director
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