

NOTICE OF INTENT

Department of Revenue Policy Services Division

Income: Withholding Tax (LAC 61:I.1515)

In accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and Act 285 of the 2021 Regular Session of the Louisiana Legislature, and R.S. 47:114, 114.1, 1511, 1520(A)(2) the Department of Revenue, Policy Services Division, (“the Department”), gives notice that rulemaking procedures have been initiated to amend LAC 61:I.1515. Louisiana Revised Statute 1520(A)(2) authorizes the Secretary the discretion to require electronic filing of tax returns or reports by administrative rule promulgated with legislative oversight in accordance with the Administrative Procedure Act, R.S. 49:950 et seq.

The purpose of this regulation is to amend the rule on Mandatory Electronic Filing of Tax Returns to conform to the return reporting requirements set forth under Louisiana Revised Statute 47:114.1 as authorized by Act 285 of the 2021 Regular Session of the Louisiana Legislature. Specifically, this proposed amendment requires service recipients who file 50 or more Federal Form 1099-NEC to file such forms electronically using the electronic format prescribed by the department.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 15. Income: Withholding Tax

§1515. Withholding Tax Statements and Returns—Electronic Filing Requirements

A. – C...

a. Service recipients that file 50 or more Federal Form 1099-NECs due on or after January 1, 2022, are required to electronically file Federal Form 1099-NECs using the electronic format prescribed by the department.

D. – E...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:114, R.S. 47:287.614, R.S. 47:609, R.S. 47:1511 and R.S. 47:1520(A)(2).

HISTORICAL NOTE: Promulgated by the Louisiana Department of Revenue, Policy Services Division, LR 28:1489 (June 2002), amended LR 35:2204 (October 2009), LR 38:2382 (September 2012), amended LR44:1638 (September 2018), amended by the Department of Revenue, Policy Services Division, LR 48:

Family Impact Statement

The proposed amendments to LAC 61:I.1515, regarding return reporting requirements for Income Tax withholding, 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. Specifically, 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 budget.
5. The behavior and personal responsibility of children.
6. The ability of the family or a local government to perform this function.

Poverty Statement

This proposed regulation will have no impact on poverty as described in R.S. 49:973.

Small Business Statement

It is anticipated that this proposed amendment should not have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting this proposed amendment to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed amendment will have no known or foreseeable effect on:

1. The staffing levels requirements or qualifications required to provide the same level of service.
2. The total direct and indirect effect on the cost to the provider to provide the same level of service.
3. The overall effect on the ability of the provider to provide the same level of service.

Public Comments

Any interested person may submit written data, views, arguments or comments regarding these proposed amendments to Christina Junker, Attorney, Policy Services Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be received no later than 4:00 p.m., Friday, March 25, 2022.

Public Hearing

A public hearing will be held on Monday, March 28, 2022, at 10:00 a.m. in the LaBelle Room, on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Kevin Richard
Secretary, Department of Revenue

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Kevin Richard
Secretary, Department of Revenue

**Fiscal and Economic Impact Statement
For Administrative Rules**

Person preparing statement:	<u>Ed Landry</u>	Department:	<u>Revenue</u>
Phone:	<u>(225) 219-2780</u>	Office:	<u>Policy Services Division</u>
Return Address:	<u>617 North Third Street</u>	Rule Title:	<u>LAC 61:I.1515</u>
	<u>Baton Rouge, LA 70802</u>	Date Rule Takes Effect:	<u>May 20, 2022</u>

Summary

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. The following summary statements, based on the attached worksheets, will be published in the *Louisiana Register* with the proposed agency rule.

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

Implementation of this proposed rule amendment will result in approximately \$51,360 of programming and testing costs to redesign the current web application for electronic filing. This proposed rule amends the rule requiring electronic filing of withholding tax statements and returns. Specifically, this proposed amendment requires service recipients who file 50 or more federal 1099-NEC forms to file such forms electronically with the Louisiana Department of Revenue (LDR).

Local governmental units are not affected by this proposal.

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


There is no anticipated direct material effect on governmental revenues as a result of this proposed rule amendment.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

Although LDR cannot determine the additional costs incurred by these service recipients to comply with this change, any costs are expected to be minimal, as online access and activity has largely become a business standard. These filers may incur costs to the extent that additional fees are charged by tax preparers or tax preparation software companies.

V. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)


The proposed rule amendment is not anticipated to have any effect on competition or employment.



Signature of Agency Head or Designee
Kevin J. Richard, Secretary

Typed Name and Title of Agency Head or Designee
2/3/2022

Date of Signature



Legislative Fiscal Officer Designee
2/7/22

Date of Signature