

REVENUE AND TAXATION

3. This Section does not alter any professional athletic team member's requirement to file the income tax schedule required under LAC 61:I.1305.

C. Rate of Withholding. The withholding tax rate under this Section shall be 4.2 percent of the compensation attributable to "duty days" spent in Louisiana.

D. Due Date of Withholding Return and Payment. A withholding payment must be submitted for each game played in Louisiana. The payment must be submitted on or before the last day of the month following the month in which the game was played. A withholding return must be submitted for each quarter in which a game was played in Louisiana to reconcile all payments made within that quarter. The withholding return must be submitted quarterly on or before the last day of the month following the quarter in which the game was played.

E. Account Numbers

1. Each professional athletic team not domiciled in Louisiana will be issued an identification number by the department.

2. The professional athletic team filing the withholding return must be clearly identified by name, address and Louisiana revenue account identification number. The team's federal employer identification number will not be accepted as a substitute. The withholding return will not be considered complete unless the team's Louisiana revenue account identification number is on the return.

1. All professional athletic teams that pay compensation to a nonresident individual for services rendered to the team within Louisiana must submit an annual withholding reconciliation schedule that includes a list of all team members who received Louisiana source income during the year. The list must include the following information:

a. the name, Social Security number, and permanent physical address of all team members regardless of residency, and

b. for each nonresident team member:

i. the total number of duty days spent with the team during the taxable year;

ii. the number of duty days spent in Louisiana;

iii. the total amount of compensation for services rendered to the team;

iv. the amount of compensation for services rendered to the team in Louisiana; and

v. the total amount deducted and withheld under this Section.

2. The annual reconciliation schedule is due on or before the first business day following February 27 of each year for the preceding calendar year. The secretary may grant a reasonable extension of time, not exceeding 30 days for the filing of the annual reconciliation schedule. The

annual reconciliation schedule is not considered to be remitted until it is complete.

3. The permanent address listed on the annual reconciliation schedule will be presumed to be the residence of the team member for purposes of administering the Sports Facility Assistance Fund.

G. Penalty for Failure to Timely Remit Schedules and Payments

1. The following penalties will be imposed for failure to timely remit these returns, schedules, and payments.

a. In the case of failure to timely remit any return or schedule required by this Section, the penalty shall be \$500 for the first such failure, \$1,000 for the second such failure within the three-year period beginning on the due date of the first delinquent return or schedule, and \$2,500 for each subsequent failure within the three-year period beginning on the due date of the first delinquent return or schedule.

b. In the case of failure to timely remit any payment required by this Section, the penalty shall be 5 percent of the total payment due if the delinquency is for not more than 30 days, with an additional 5 percent for each additional 30 days or fraction thereof during which the delinquency continues, not to exceed 50 percent of the amount due.

H. Exception to Withholding Requirement under This Section

1. The secretary may grant an exception to withholding requirements under this Section to any professional athletic team not domiciled in Louisiana that agrees in writing to file team composite returns and remit composite payments as provided in LAC 61:I.1304.J.

2. The composite return and composite payment will be considered to be a return and payment required by the secretary to administer the provisions of the Sports Facility Assistance Fund.

3. This agreement will be binding on the secretary and the professional athletic team until it is revoked. Either party may revoke this agreement.

AUTHORITY NOTE: Adopted in accordance with R.S. 39:100.1, R.S. 47:164(D), R.S. 47:295, R.S. 47:1511, R.S. 47: 114 and R.S. 47:1602.1.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 30:91 (January 2004), amended LR 39:104 (January 2013), repromulgated LR 39:330 (February 2013).

§1525. Income Tax Withholding on Gaming Winnings

A. Withholding Requirement for Gaming Winnings

1. Every person or business that pays gaming winnings won in Louisiana is required to withhold individual income taxes at a rate of six percent if income taxes are required to be withheld for the Internal Revenue Service under 26 USC 3402 on the same winnings.

2. Additionally following current Department of Revenue practice, casinos that pay slot machine winnings in excess of \$1,200 should issue a form W2-G and withhold at

a rate of 6 percent of the slot machine winnings regardless of the *Internal Revenue Code* withholding on such slot machine winnings.

B. Reporting Requirements for Gaming Winnings

1. Businesses that withhold income taxes on gaming winnings shall electronically report and remit the withholdings to the Louisiana Department of Revenue quarterly.

2. Businesses required to withhold and to submit income taxes on gaming winnings shall send the Department of Revenue a report electronically containing a list of all winners annually in a format approved by the department. The report shall contain the following information as printed on federal form W-2G:

a. the payor's name, address, and federal identification number;

b. the winner's name, address, social security number, gross winnings, amount of federal income taxes withheld, and amount of state income taxes withheld.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:287.71, R.S. 47:287.785, and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Service Division, LR 36:2877 (December 2010).

Chapter 19. Miscellaneous Tax Exemptions, Credits and Deductions

§1901. Employer Tax Credits for Donations of Materials, Equipment, or Instructors to Certain Training Programs or Schools

A. Definitions

Department—the Department of Revenue.

Employer—an entity authorized to do business in the state of Louisiana that employs one or more individuals performing services on its behalf.

Instructor—an individual qualified, as determined by the training institution, to provide educational or instructional services designed to furnish technical knowledge to persons enrolled in a training program when the instructor's time or salary are donated by an employer.

a. The donation of an instructor's time is when the instructor, while on the payroll of the donating employer, is allowed to spend a portion or all of a work day providing instructional services either on the premises of the training institution or on the employer's premises, when approved by the training institution as part of the training curriculum.

b. The donation of an instructor's salary is when the funds for the salary of an instructor, who is an employee and on the payroll of the training institution, are provided by the donating employer.

Latest Technology Available in Materials and Equipment—machinery and equipment that:

a. has never been used except for normal testing by the manufacturer to ensure that the machinery or equipment is of proper quality and in good working order;

b. has been used by the retailer or wholesaler solely for the purpose of demonstrating the product to customers for sale;

c. is of the type currently manufactured for sale to customers; or

d. has been used by the donating employer for three years or less and was still used in production immediately prior to donation.

Training Institution—a public training provider, secondary or postsecondary vocational technical school, apprenticeship program registered with the Louisiana Department of Labor, or community college. The term does not include institutions or other entities organized for profit.

Value—the donor's actual cost for new machinery or equipment or the appraised worth of used materials and equipment and instructional services.

B. Tax Credit

1. A credit shall be allowed against the individual and corporate income tax and the corporate franchise tax for the donation of the latest technology available in materials and equipment and the donation of instructors made to public training providers, secondary and postsecondary vocational-technical schools, apprenticeship programs registered with the Louisiana Department of Labor, or community colleges within the state.

2. The tax credit shall be an amount equal to one-half the value of the donated materials, equipment, or services rendered by the instructor at the time of donation.

a. When used materials or equipment or instructional services are donated, the institution accepting the donation shall obtain an appraisal to establish the value of the materials, equipment, or instructional services, which is to be provided to the donating employer.

b. When new materials or equipment are donated, the donating employer shall submit an invoice showing the actual price paid, which shall be considered the value of the donated property.

3. A donation shall not qualify for the tax credit unless it is accepted by the training institution.

a. The training institution accepting the donation shall furnish to the donating employer certification of the donation that includes the date of the donation and the value of the donated materials, equipment, or instructional services.

b. The donating employer shall attach this certification to the income or franchise tax return filed with the department for the year in which the credit is claimed.

4. The tax credit shall be a credit against the applicable tax or taxes for the tax period that the donation was made and when combined with all other applicable tax credits, shall not exceed 20 percent of the employer's tax