

The proposed Rule has no known impact on impact on the following:

1. The effect on household income, assets, and financial security.
2. The effect on early childhood development and preschool through postsecondary education development.
3. The effect on employment and workforce development.
4. The effect on taxes and tax credits.
5. The effect on child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

Small Business Analysis

Pursuant to the provisions of R.S. 49:974.2-974.8, the Regulatory Flexibility Act, the Louisiana Gaming Control Board, through its chairman, has concluded that the proposed Rule is not anticipated to have an adverse impact on small business; therefore, a Small Business Impact Statement has not been prepared.

Provider Impact Statement

Pursuant to the provisions of HCR170 of 2014, the Gaming Control Board, through its chairman, has considered the potential provider impact of the proposed Rule.

The proposed Rule has no known impact on impact on the following:

1. The effect on the staffing level requirements or qualifications required to provide the same level of service.
2. The total direct and indirect effect on the costs 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

Interested persons may submit written comments to Earl G. Pitre, Jr., Assistant Attorney General, Louisiana Department of Justice, Gaming Division, 1885 North Third Street, Fifth Floor, Baton Rouge, LA 70802. All comments must be submitted no later than the end of business day, central time zone, of November 10, 2022.

Ronnie S. Johns
Chairman

**FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES
RULE TITLE: Video Draw Poker**

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

The proposed rule change will result in savings to state governmental units as a result of the proposed rule changes to LAC 42:XI.2411 – Regulatory, Community, and Reporting Responsibilities and LAC 42:XI.2413 - Devices. The proposed rule change may slightly decrease the workload for Louisiana State Police Gaming Enforcement Division on behalf of the Gaming Control Board, due to licensees being required to provide service/repair forms upon request rather than submitting the forms within five business days of the service/repair to the video gaming device that may alter the meter reading. The proposed rule change will also require licensees to provide current meter readings in a manner prescribed by the division within twenty-four hours.

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

The proposed rule change will have no effect on revenue collections of state or local governmental units.

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

The proposed rule change may result in cost savings to directly affected persons, small businesses, or non-governmental units. Currently, licensees are required to submit the service/repair form within five business days of the service/repair that may alter meter readings from the video gaming device. The proposed rule change will require video gaming licensees to provide the service/repair form to the division upon request and to provide current meter readings in a manner prescribed by the division, within twenty-four hours. The proposed rule change will require licensed service entities to maintain records of invoices, service, and/or repair to devices when the logic board is accessed or meter readings are altered. The proposed rule change will require device owners to retain the door ticket, which may be scanned and retained electronically, for a period not less than 90 days and to maintain a current written maintenance log containing a log entry any time the logic board is accessed or meter readings, mechanical (hard) and electronic (soft), of the device are altered.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will have no effect on competition and employment.

Ronnie S. Johns
Chairman
2210#018

Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Revenue
Policy Services Division**

Apprenticeship Tax Credits (LAC 61:I.1909)

Under the authority of R.S. 47:1511 and 6033 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:I.1909 relative to Apprenticeship Tax Credits.

Revised Statute 47:6033 authorizes a credit for businesses that hire an eligible apprentice, as defined therein. The purpose of these proposed amendments is to implement Act 454 of the 2021 Regular Session of the Louisiana Legislature relative to Apprenticeship Tax Credits.

Title 61

REVENUE AND TAXATION

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

Chapter 19. Miscellaneous Tax Exemptions, Credits and Deductions

§1909. Apprenticeship Tax Credits

A. General Description

1. For tax periods beginning after December 31, 2021, Revised Statute 47:6033 authorizes businesses to earn a non-refundable apprenticeship tax credit against Louisiana income tax or corporation franchise tax equal to \$1.25 for each hour of employment of each eligible apprentice, as defined herein, not to exceed 1,000 hours for each eligible apprentice.

2. In order to be eligible for the credit, a business must employ a person who:

- a. is an eligible apprentice, as defined herein;

b. has been employed for a minimum of 250 hours during the taxable period; and

c. satisfies all other criteria of this Section.

3. The credit shall be earned in the year in which the taxpayer is deemed to have satisfied all requirements of this Section, as approved by the department.

4. The credit shall be allowed against the income tax for the taxable period for which the credit is earned and against the franchise tax for the taxable period following the period in which the credit is earned. If the tax credit allowed pursuant to R.S. 47:6033 exceeds the amount of such taxes due, any unused credit may be carried forward as a credit against subsequent liability for a period not to exceed five years.

5. A taxpayer shall not receive any other incentive for the job creation or hiring of an eligible apprentice for which the taxpayer has received a tax credit pursuant to this Section, including but not limited to the provisions of R.S. 25:1226, 47:297.13, 6023, 6026, 6028, 6033, 6034, 51:1781, 2451, or 3121.

B. Definitions

Department—the Louisiana Department of Revenue

Eligible Apprentice—a person who:

a. has entered into a written apprentice agreement with an employer or an association of employers pursuant to a registered apprenticeship program as provided for in R.S. 23:381; or

b. is enrolled in a training program accredited by the National Center for Construction Education and Research (NCCER) which has no less than four levels of training and no less than 500 hours of instruction:

i. has successfully completed no less than two levels of training; and

ii. has attained no less than 250 hours of instruction.

C. Claiming the Credit

1. Taxpayers must attach to the applicable Louisiana income tax return both a completed Apprenticeship Tax Credit Employer Certification (Form R-90005), as well as Tax Incentives with Job Creation Components (Form R-6311). Additionally, supporting documentation should be maintained or submitted to the department, as directed in Paragraph 2 of this Subsection.

2. Unless otherwise provided, eligible employers will be responsible for obtaining and submitting all required information, which includes the following:

a. For taxpayers seeking to qualify pursuant to a written apprentice agreement with an employer or an association of employers pursuant to a registered apprenticeship program provided for in R.S. 23:281, the number of hours worked during the taxable period for each eligible apprentice. In addition, a copy of the contract executed between the employer and the eligible apprentice should be maintained and available for production upon request from the department to substantiate the qualification of an eligible apprentice.

b. For taxpayers seeking to qualify pursuant to an eligible apprentice enrolled in a training program accredited by NCCER, a copy of the NCCER transcript for each eligible apprentice, which includes:

i. the level of training attained by the student enrolled in the training program;

ii. the number of hours worked during the taxable period by the student enrolled in the training program.

c. Any other information required by the department.

D. Approval

1. No later than January 31 of each calendar year, the Louisiana Workforce Commission shall provide to the department a list of all employers or association of employers that have registered and have been approved to participate in an apprenticeship program as provided for in R.S. 23:381.

2. A taxpayer is deemed eligible upon satisfactorily demonstrating that it has met the requirements of Subsection A of this Section during the taxable year. Eligibility shall authorize a taxpayer for one or more nonrefundable credit(s) with a carryforward of five years equal to the lesser of \$1.25 for each hour of employment or \$1,250 for the tax period deemed eligible.

3. For any amounts denied, the department shall notify the taxpayer as to each apprentice so denied and provide the reasons for denial.

4. For each calendar year, beginning with calendar year 2023, the department shall not approve credits in excess of \$2,500,000. Claims shall be approved as eligible for the credit by the department on a first-come, first-served basis as determined by the postmarked or received date of all documentation required by Subsection C of this Section. A claim shall not be considered complete until all information requested by the department has been received.

5. If the total amount of credits granted in any calendar year to qualifying businesses is less than the respective cap, any residual amount may be available for issuance by the department in subsequent calendar years. For purposes of the credit cap, any amounts authorized by the department shall be deemed granted for the calendar year in which the credit is earned.

6. In the event it is determined by the department that the taxpayer has not met the requirements of Subsection A of this Section, any amounts approved by the department are subject to disallowance by the department and any amounts allowed to offset tax are subject to recapture by the department.

7. The accrual of refund interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required herein.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:287.785, R.S. 47:295, R.S. 47:1511, and R.S. 47:6033.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 36:1791 (August 2010), amended LR 49:

Family Impact Statement

The proposed amendment of LAC 61:I.1909 regarding Louisiana Apprenticeship tax credits 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 the proposed amendment 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 amendment of LAC 61:I.1909 will have no impact on poverty as described in R.S. 49:973.

Small Business Analysis

It is anticipated that the amended regulation 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 amended regulation 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 Brad Blanchard, 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., Tuesday, November 29, 2022.

Public Hearing

A public hearing will be held on Wednesday, November 30, 2022, at 10 a.m. in the River Room, on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Kevin J. Richard, CPA
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Apprenticeship Tax Credit**

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

The purpose of this proposed regulation is to amend LAC 61:I.1909 to implement the portion of Act 454 of the 2021 Regular Session relative to the Apprenticeship Tax Credit Program. Act 454 provides an apprenticeship tax credit for tax periods beginning after December 31, 2021. Act 454 allows a non-refundable credit against income and franchise tax equal to \$1.25 per hour of employment with a five-year carryforward for each eligible apprentice. The Act defines an “eligible apprentice” as one who has either entered into a written apprenticeship agreement under Chapter 4 of Title 23 of the Revised Statutes or was enrolled in a training program accredited by the National Center for Construction Education and Research with at least four levels of training and five hundred hours of instruction. The proposed rule provides for

administration of the tax credit program such as administering the cap on a first-come, first-serve basis, the application process, the documentation that will be required of employers claiming the credit and providing for disallowance and recapture provisions. No material impacts on expenditures to state or local government entities are anticipated due to this proposed rule change.

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

Act 454 provides a nonrefundable tax credit against income and franchise tax to employers equal to \$1.25 for every hour an eligible apprentice works. The credit requires a minimum of 250 hours worked in a taxable period, and the credit is capped at \$1,250 per eligible apprentice. Act 454 sets an annual aggregate cost cap of \$2.5 million for the apprenticeship tax credit. Assuming that credit uptake for the apprenticeship tax credit remains comparable to similar tax credits offered in the past, the estimated impact would be a state general fund revenue loss of \$1.2 million annually. No material impact on revenue collections to local governmental units is anticipated.

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

No material aggregate impacts on costs or economic benefits are anticipated for affected persons, small business or non-governmental groups due to this proposed rule change. In order to claim the tax credit, taxpayers must attach a copy of supporting documentation to support eligibility for the credit. Any additional costs for completion and submission of the required paperwork of this proposed rule are expected to be minimal.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

No material impact on competition or employment is anticipated.

Kevin J. Richard, CPA
Secretary
2210#026

Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Revenue
Policy Services Division**

**Fresh Start Proper Worker Classification Initiative
(LAC 61:III.2301)**

Under the authority of R.S. 47:1511 and 1576.3, and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, gives notice that rulemaking procedures have been initiated to enact LAC 61:III.2301, to provide guidance on the Fresh Start Proper Worker Classification Initiative adopted by Act 406 of the 2022 Regular Session.

R.S. 47:1576.3 authorizes the secretary to promulgate rules for the administration of the Fresh Start Proper Worker Classification Initiative. Additionally, R.S. 47:1511 authorizes the secretary to prescribe rules and regulations to carry out the purposes of any statutes or provisions included under the secretary's authority. R.S. 47:1576.3(B) authorizes certain employers who have been treating workers as independent contractors to voluntarily reclassify a class or classes of workers as employees for future periods without being held liable for withholding tax, interest or penalties for prior periods. The purpose of this Rule is to administer and implement the voluntary worker classification program