

### Poverty Impact Statement

The proposed Rule has no known impact on poverty as described in R.S. 49:973.

### Small Business Analysis

The proposed Rule has no known measurable impact on small businesses as described in R.S. 49:974.4.

### Provider Impact Statement

The proposed Rule has 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

All interested persons may submit written data, views, arguments or comments regarding this proposed rule to John Pearce, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m. on July 29, 2024.

### Public Hearing

A public hearing will be held on July 30, 2024 at 10 a.m. in the River Room, located on the 7th floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana. Should individuals with a disability need an accommodation in order to participate, contact John Pearce at the address given above in the Public Comments section, by email at LDRadarequests@la.gov or at by phone at (225) 219-2784.

Richard Nelson  
Secretary

## FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

### RULE TITLE: **Installment Agreement for Payment of Tax**

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

This proposal amends the rule to allow informal installment agreements only if the amount owed is less than \$50,000 and to extend the maximum payment period for an informal installment agreement from 36 months to 60 months. It also provides for a formal agreement if the amount owed is \$50,000 or more or the payment period exceeds 60 months. The installment agreement fee of \$105 remains unchanged as does the reinstatement fee of \$60. The fees do not apply to establish an installment agreement with a taxpayer whose adjusted gross income is less than or equal to \$25,000. The installment agreement fees cannot be paid in installments nor waived or applied against any tax debt.

Implementation of this proposal will not result in material additional costs or cost savings to the Louisiana Department of Revenue (LDR). Local governments will not be affected by this proposal.

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

The proposed rule is anticipated to have an indeterminable decrease on revenue collections of the state in the short-term. Taxpayers who owe less than \$50,000 will be able to spread liabilities over five years, instead of three, through informal installment agreements under the proposed rule. Extending the duration of informal installment agreements is anticipated to decrease revenue collections of the state annually in the first

four years of the installment plans, assuming the current LDR monthly rate of 0.97917% remains constant over the fiscal horizon. However, interest and late payment penalties will continue to accrue during the extended installment agreements which increases the taxpayer's overall liability. State revenues are anticipated to increase in the fifth year of collections due to the interest accumulation. LDR anticipates the proposed rule may increase the number of installment agreements and decrease the rate of taxpayer defaults by providing taxpayers a longer period to spread liabilities over. To the extent the default rate improves, this would offset a portion of the decrease in collections but is not expected to entirely offset the revenue losses in the short term.

Local governmental units are not affected.

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

Affected taxpayers are anticipated to benefit by providing additional time to resolve outstanding liabilities. To the extent taxpayers elect to utilize a longer installment plan, monthly payments will decrease but overall tax liability increases as interest accumulates in time. LDR anticipates the proposed rule will effectively reduce the demand for formal installment agreements as most individual taxpayers will qualify for the informal installment agreements.

Taxpayers requesting a formal installment agreement must complete a Statement of Financial Condition and provide copies of bills. Often there are delays in establishing formal agreements because it takes the taxpayer awhile to complete the paperwork. The financial information has to be reviewed and approved by staff or appointed officials, depending on the years and the amount of debt.

Taxpayers now qualified for informal agreements are expected to experience less of an administrative burden. The taxpayers will be able to log onto LaTAP to establish the agreement without the current delays of more extensive paperwork.

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

There is no anticipated impact on competition or employment.

Luke Morris  
Assistant Secretary  
2406#028

Alan M. Boxberger  
Legislative Fiscal Officer  
Legislative Fiscal Office

## NOTICE OF INTENT

### Department of Revenue Tax Policy and Planning Division

#### Restaurant Oyster Shell Recycling Tax Credit (LAC 61:I.1933)

Under the authority of R.S. 47:1511 and 6043, and in accordance with the provisions of the Administrative Procedures Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, proposes to adopt LAC 61:I.1933 to effectively administer R.S. 47:6043 relative to the restaurant oyster shell recycling tax credit.

Act 404 of the 2023 Regular Legislative Session ("Act 404") enacted R.S. 47:6043, which authorizes an income tax credit for Louisiana restaurants that donate oyster shell material to the oyster shell recycling program of the Coalition to Restore Coastal Louisiana or a department-approved oyster shell recycling program. The credit authorized by Act 404 may be claimed for taxable years

beginning between January 1, 2024 and December 31, 2028. The credit is refundable and may be applied against corporation, individual, and fiduciary income taxes for the year in which donations are made. The primary purpose of this proposed regulation is to implement Act 404.

The proposed Rule is written in plain language in an effort to increase transparency.

## Title 61

### REVENUE AND TAXATION

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

#### Chapter 19. Miscellaneous Tax Exemptions, Credits and Deductions

#### §1933. Restaurant Oyster Shell Recycling Tax Credit

##### A. Definitions

*Compensation*—for purposes of this section, any amount of payment in any form that contributes to an entity's profit.

*CRCL*—the Coalition to Restore Coastal Louisiana.

*Department*—the Department of Revenue.

*OSRP*—an oyster shell recycling program or activity certified by the department for purposes of this credit. The CRCL is considered an OSRP.

*Restaurant*—a food establishment as defined by LAC 51:XXIII.101 that

- a. holds a state health department permit to operate,
- b. has an owner or designated employee possessing a state food safety certificate,
- c. collects, accounts for, and remits state sales tax to the department.

*Taxpayer*—a person who is required to file a Louisiana income tax return.

##### B. General Description

1. For taxable years beginning on or after January 1, 2024 but before January 1, 2029, taxpayers are eligible for the restaurant oyster shell recycling tax credit for donations of oyster shell material by restaurants to the oyster shell recycling program of the Coalition to Restore Coastal Louisiana or other oyster shell recycling program or activity approved by the department. The credit is a refundable income tax credit and is limited to \$2,000 per restaurant.

2. OSRPs are certified by the department to receive donations eligible for the tax credit. Only donations to the CRCL or an OSRP qualify for the credit.

##### C. Claiming the Tax Credit

1. Taxpayers claiming the restaurant oyster shell recycling credit must attach Form(s) R-90154, Receipt for Restaurant Oyster Shell Recycling Credit, to their return. The receipt shall contain the information set forth in this paragraph and must be issued by the OSRP to the donor on a quarterly basis, or monthly if approved by the department.

a. The OSRP section shall contain the following information:

- i. name and physical location address of the restaurant;
- ii. name of the OSRP;
- iii. beginning and ending dates of the donation period;
- iv. receipt number for tracking; and
- v. the total amount, in pounds, of oyster shell material donated by the donor to the OSRP during the donation period.

- b. The donor section shall contain the following:
  - i. legal name of the restaurant making the donation, whether an individual or entity; and
  - ii. last four digits of the Social Security number, or Louisiana revenue account number, of the owner of the restaurant that donated to the OSRP; and
  - iii. the amount of the credit.

c. The amount of donated oyster shell material may be ineligible for the credit for failure to include any information required on the receipt.

2. The credit shall be claimed for the taxable year in which the donation was made.

a. Exception: Receipts issued on a quarterly basis shall be claimed for the taxable year in which the quarter ends.

3. If the total amount of credits claimed in a particular calendar year exceeds the \$100,000 annual cap, the Department shall treat the excess as having been applied for on the first day of the following year. To utilize the credits in the subsequent year during which the taxpayer's claim has priority, the taxpayer shall claim the credits on the subsequent tax year's return and file it prior to the end of the calendar year. If the taxpayer fails to file a return in the subsequent year, the credits shall lose their priority status.

##### D. Application for Certification as an Oyster Shell Recycling Program

1. An organization that seeks to become certified as an OSRP may apply for certification at any time during the year by submitting a completed Form R-90152, Application for Certification as an Oyster Shell Recycling Program to the department.

2. The application shall contain:

- a. the name, mailing and physical address, Louisiana revenue account number, and federal employer identification number of the OSRP;
- b. contact information, including an email address, for the OSRP's designated representative;
- c. a statement detailing the planned method of calculating approximate weights of oyster shell material donated to the program;
- d. a statement that the program intends use 100 percent of donated oyster shell material to improving water quality, benefitting aquatic habitats, supporting local economies, and protecting the coastline of this state;
- e. a statement that the OSRP will not use or otherwise facilitate the use of donated oyster shell material for commercial aquaculture or as aggregate in commercial use;
- f. a statement that the program will not receive or provide compensation for donated oyster shell material.

3. Within two months of receipt of an application for certification as an OSRP, the department shall notify the applicant of their status by way of approval notated on the application to the email address designated on the application. The notification shall designate whether the OSRP is approved to issue quarterly or monthly receipts to donors. Certification is valid beginning January 1 of the year that an organization is approved.

4. If the application is denied, the department will inform the applicant of its grounds for denial and allow 15 business days from date of notification for the applicant to

correct any defects. Grounds for denial include, but are not limited to:

- a. failure of the applicant to submit any information required by the application;
- b. failure of the applicant to submit any additional information requested by the department.

**E. OSRP Reporting**

1. An OSRP shall submit a completed Form R-90154, Receipt for Restaurant Oyster Shell Recycling Credit, with a completed OSRP section to each donor on a quarterly basis, or monthly if approved by the department.

2. An OSRP shall file an annual report with the department no later than January 31 of each year to [OysterShell.RecyclingCredit@la.gov](mailto:OysterShell.RecyclingCredit@la.gov).

3. The annual report shall contain the following information:

- a. a certification that the OSRP continues to abide by the statements attested to in their OSRP application;
- b. copies of all receipts issued to donors during the prior calendar year;
- c. a listing in Excel format of all donations made for the purpose of this credit. For every donation of oyster shell material made during the prior calendar year, include:
  - i. the date of donation, the weight of materials donated, in pounds, the restaurant name and physical location address, and the receipt number on which the donation is included;
  - ii. if issuing receipts quarterly, the last day of the quarter;
- d. notification to the department of changes that may affect certification eligibility.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and R.S. 47:6043.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Planning and Policy Division, LR 50:

**Family Impact Statement**

The proposed Rule 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 Rule will have no foreseeable impact on poverty as described in R.S. 49:973.

**Small Business Analysis**

The proposed Rule is not expected to 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 Rule 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 this proposed Rule to Danielle Daniels, Attorney, Tax Policy and Planning Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098 or by email at [Danielle.Daniels2@la.gov](mailto:Danielle.Daniels2@la.gov). All comments must be received no later than 4 p.m., Tuesday, July 30, 2024.

**Public Hearing**

A public hearing will be held on Wednesday, July 31, 2024, at 10:30 AM in the LaBelle Room, on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802. Should individuals with a disability need an accommodation in order to participate, contact Danielle Daniels at the address given above in the Public Comments section, by phone at (225)219-1781, or by e-mail at [LDRadarequests@la.gov](mailto:LDRadarequests@la.gov).

Richard Nelson  
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES  
RULE TITLE: Restaurant Oyster Shell  
Recycling Tax Credit**

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

Act 404 of the 2023 Regular Session of the Louisiana Legislature established a refundable tax credit for restaurants who donate oyster shell material to an oyster shell recycling program. The tax credit allowed is \$1 per 50 pounds of oyster material donated limited to \$2,000 maximum credit per restaurant. The credit is claimed for taxable years beginning between January 1, 2024 and December 31, 2028.

The proposed rule sets up the application process and the process of approving credits under the established \$100,000 cap on granted credits.

Implementation of this proposal will result in approximately \$52,750 of additional expenditures for computer system development and modification, tax form redesign, and testing. There are no anticipated implementation costs or savings to local governments.

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

The impact on revenue collections is an indeterminable decrease via reduced individual, fiduciary, and corporate income tax receipts. Act 404 limits total credits granted per calendar year to \$100,000. The credit amount is \$1 per 50 pounds of oyster material donated limited to \$2,000 maximum credit per restaurant. The credit amount would allow an individual restaurant to qualify for the credit for up to 100,000 pounds of shell material per taxable year.

With no local income tax, there are no anticipated effects on revenue collections of local governments.

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

The proposed rule will impact restaurant owners who donate oyster shell material to an oyster shell recycling program (OSRP) to claim the refundable tax credit. The department created an application for OSRPs to apply for certification. However, applicants will also have to file an annual report no later than January 31 of each year with LDR. Additional costs for completion and submission of the required paperwork of this proposed rule are expected to be minor.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

No material impact on competition or employment is anticipated due to this proposal.

Luke Morris  
Assistant Secretary  
2406#019

Alan M. Boxberger  
Legislative Fiscal Officer  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Revenue  
Tax Policy and Planning Division**

**Tax Credit Documentation Requirements  
(LAC 61:I.1902, 1903, and 1905)**

Under the authority of R.S. 47:1511 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, proposes to amend LAC 61:I.1902, 1903, and 1905.

R.S. 47:1624(F) authorizes the suspension of the accrual of interest 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 by statute or regulation. The purpose of these amendments is to set forth the information and documentation required to be provided by a taxpayer claiming the Inventory Tax Credit, certain School Readiness Tax Credits, and the Credit for property taxes paid by certain telephone companies.

**Title 61**

**REVENUE AND TAXATION**

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

**Chapter 19. Miscellaneous Tax Exemptions. Credits  
and Deductions**

**§1902. Inventory Tax Credits**

A. - D3. ...

E. Documentation for Claiming the Credit

1. The following documentation shall be submitted with any return claiming the credit at the time of filing:

a. Form R-10610, Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors, and Retailers;

b. a copy of the ad valorem (property) tax assessment prepared by the assessor's office; and

c. a copy of the cancelled check or receipt of electronic payment for the ad valorem (property) tax assessment.

2. A manufacturer that has claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the taxable year in which the local inventory

taxes were levied and members of a consolidated federal income tax return that includes a manufacturer who has claimed the property tax exemption under ITEP must submit the following documentation with the return at the time of filing:

a. Form R-10610-ITE, Schedule of Ad Valorem Tax Credit Claimed by ITEP Manufacturers for Ad Valorem Tax Paid on Inventory;

b. a copy of the ad valorem (property) tax assessments prepared by the assessor's office; and

c. a copy of the cancelled check or receipt of electronic payment for the ad valorem (property) tax assessments.

3. The accrual of 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 any of the information or documentation required herein, as provided by R.S. 47:1624(F).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and 6006.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 27:1705 (October 2001), amended by the Department of Revenue, Tax Policy and Planning Division, LR 50:

**§1903. Administration of the School Readiness Tax  
Credits**

A. - A.3. ...

4. The accrual of 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 any of the information or documentation required herein, as provided by R.S. 47:1624(F).

B. - B.1. ...

2. The provider shall complete the provider portion of the credit certificate and shall submit the certificate to each taxpayer who had a child at the facility during the calendar year no later than January 31 of the succeeding year. The provider portion of the credit certificate will include, but not be limited to, the following information: the child care facility name, the child care facility star rating, the child care facility Louisiana tax identification number, the child care facility license number, the name of the child attending the facility and the issue date and effective year. The provider shall submit to the Department of Revenue a list of all taxpayers to whom a certificate was issued.

3. ...

4. The Department of Education shall provide information necessary for the Secretary of the Department of Revenue to determine the child care provider's quality rating.

C. - C.1.d. ...

2. The Department of Education shall provide documentation to each qualifying provider of the average monthly number of children participating in the Child Care Assistance Program or in the Foster Care Program. If the provider has multiple sites, the Department of Education shall provide this information for each site. The certificate shall be delivered or mailed to all qualifying child care providers by March 1 of the year following the year the credit is earned. The certificate shall include, but not be limited to, the following information: the child care facility name, the child care facility star rating, the child care facility license number and the issue date and effective year.