

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 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., Tuesday, October 24, 2023.

Public Hearing

A public hearing will be held on Wednesday, October 25, 2023, at 9:00 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: Income Exemption for Digital Nomads

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

The purpose of the proposed rule is to implement the provisions of R.S. 47:293(9)(a)(xxii) and 47:297.18 enacted by Act 387 of the 2021 Regular Session of the Louisiana Legislature. Act 387 provides an individual income tax exemption for digital nomads. Individuals who meet the requirement of a digital nomad are allowed to exempt 50% of their gross wages, not to exceed \$150,000. The exemption only applies to gross wages resulting from services performed and earned from full-time remote work for a nonresident business. To qualify, the individual must have major medical insurance. The exemption applies for up to two taxable years during taxable years 2022, 2023, 2024, and 2025 and is limited to 500 eligible taxpayers. Louisiana Department of Revenue ("LDR") incurred one-time costs of \$25,680 in FY 23 for computer system development and modification, tax form redesign, and testing.

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

The proposed rule would cause an indeterminable decrease to the State General Fund beginning FY 23 and ending primarily in FY 26. The decrease to the state general fund is indeterminable because the number of individuals and the amount of income that may qualify for the program is speculative. The amount of income tax foregone cannot be determined. It is possible that some individuals qualifying for the exemption would relocate to the state regardless of the tax exemption. While the bill authorizes up to 500 participants for the life of the program, the number of actual participants may be materially lower than that with only small consequent state fiscal impacts.

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

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

The proposed rule will reduce the income tax liability of qualifying taxpayers in the form of an exemption of income to arrive at taxable income under LA R.S. 47:293(9)(a)(xxii) and 47:297.18. Individuals seeking the exemption will need to establish residency in Louisiana and work remotely for a nonresident business. The individual may incur moving and job searching expenses which could be offset by the reduction in tax liability as a result of the exemption. Due to the availability of the exemption, some employers may experience an increase in employees requesting to relocate and associate paper work but that should also be minimum.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule incentivizes individuals to move to Louisiana to work remotely for a nonresident business. Since the program is limited to 500 individuals, the exemption may result in an immaterial increase in employment in Louisiana.

Kevin J. Richard, CPA
Secretary
2309#016

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Revenue Policy Services Division

Income Tax Return Filing Extensions (LAC 61:III.2503)

Under the authority of R.S. 47:287.614(D) and 1511, and in accordance with the provisions of the Administrative Procedures Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to amend LAC 61:III.2503 relative to corporation income and franchise taxes filing extensions.

R.S. 47:287.614(D) authorizes a six-month extension for corporation income tax if the taxpayer timely requested an extension for federal income tax purposes. The primary purpose of these proposed amendments is to provide additional guidance to taxpayers seeking an extension for filing corporation income and franchise tax returns.

Title 61

REVENUE AND TAXATION

Part III. Administrative and Miscellaneous Provisions Chapter 25. Returns

§2503. Corporation Income and Franchise Tax Filing Extensions

A. - A.3.c. ...

B. For taxable periods beginning on or after January 1, 2022 the secretary shall grant an extension of time to file a state corporation income and franchise tax return for the same extended period of time as the taxpayer's federal extension, or six-months, whichever is later, with no state extension request required.

1.

2. Taxpayers described under Internal Revenue Code Section 6072(b) and (d) whose federal due date is after the Louisiana due date will be considered to have requested a federal extension and shall receive a six-month extension.

3. Taxpayers in a federally declared disaster area receiving an extension of time to file pursuant to Internal Revenue Code Section 7508A will be considered to have requested a federal extension and shall receive a six-month extension.

4. A taxpayer must mark the box on the CIFT-620, Louisiana Corporation Income and Franchise Tax Return, noting that they have timely applied for a federal extension for the same taxable period.

a. If approved for a federal extension, a taxpayer should retain a copy of their approval determination letter Federal Form 6513, Extension of Time to File, or other material evidencing that their federal extension has been approved.

b. Failure to obtain an approved federal extension shall result in the Louisiana extension being null and void and shall result in delinquent filing penalties being assessed from the original due date.

i. If a taxpayer requested reconsideration of a denied federal extension and the extension is subsequently approved, the taxpayer must attach all documents required by the IRS for approving the reconsideration request to their return in addition to a statement from the IRS or the taxpayer that the reconsidered extension request has been approved.

ii. If a taxpayer requested reconsideration of a denied federal extension and the extension request remains denied, the taxpayer must file their return without further delay and attach the IRS statement informing the taxpayer that their reconsidered extension request remains denied.

C. - C.2. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:287.614(D) and 1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 36:552 (March 2010), amended LR 39:99 (January 2013), amended LR 49:702 (April 2023), LR 49:

Family Impact Statement

The proposed amendment of LAC 61:III.2503, regarding income tax filing extensions for corporation income and franchise tax returns, 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 amendment will have no impact on poverty as described in R.S. 49:973.

Small Business Analysis

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., Tuesday, October 24, 2023.

A public hearing will be held on Wednesday, October 25, 2023, at 9:30 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: Income Tax Return Filing Extensions

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

No material impact to costs of state or local governmental units is expected as a result of this rule change. The purpose of this proposed rule amendment to LAC 61:III.2503 is to provide relief to certain taxpayers unintentionally affected by Act 410 of the 2022 Regular Session. Along with automatic filing extensions for individual, partnership, and fiduciary income tax, Act 410 provided for a filing extension of the corporation income tax return if one was timely requested for federal purposes. It is worth noting that Act 410 provides only for an extension for filing. The deadline to pay any income taxes due is not extended beyond the original due date of the return. The proposed amendment provides guidance to corporate taxpayers described under Internal Revenue Code Section 6072(b) and (d) whose federal due date is after the Louisiana due date and taxpayers located in a federally declared disaster area receiving an extension of time to file pursuant to Internal Revenue Code Section 7508A prior to the state filing deadline.

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

No material impact on the revenue collections of local governmental units is anticipated. Act 410 provides a six-month extension to corporation income taxpayers who timely request an extension to file their federal income tax return. The Act also accrued penalty assessments back to the original filing deadline instead of the extension date. The state net revenue impact of the proposed rule changes for implementation of Act 410 promulgated in October 2022 was estimated to be an annual revenue loss of approximately \$1.9 million. This loss estimate resulted from the late filing penalties that would have otherwise been due between the return's original filing deadline and the return's extended due date under the Act offset by increased penalties due to the assessment accrual change. This

proposed amendment would not cause an additional impact beyond those already estimated, which will be tempered in reality by actual taxpayer behavior and tax liabilities.

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

Corporate income taxpayers whose federal due date is after the Louisiana due date will now be granted a state extension. The savings should be immaterial for accounting firms since the number of taxpayers is small. Corporate income taxpayers located in a federally declared disaster area will also receive a state extension if one was granted for federal purposes. The savings from this aspect of the rule could be material for larger accounting firms depending on the number of clients in Louisiana.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

No material impact on competition or employment is anticipated.

Kevin J. Richard, CPA
Secretary
2309#017

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Wildlife and Fisheries Wildlife and Fisheries Commission

Derelict Crab Trap Removal Program (LAC 76:VII.367)

Notice is hereby given in accordance with the Administrative Procedure Act, R.S. 49:961 et seq., and through the authority granted in R.S. 56:332(N), that the Wildlife and Fisheries Commission proposes to amend LAC 76:VII.367 to temporarily close a portion of state inside waters to the use of crab traps in order to facilitate the removal of abandoned crab traps in these waters.

These abandoned crab traps can cause navigational hazards, user-group conflicts, and cause stress on the state blue crab stock by continuing to fish after being abandoned or displaced. Traps are often displaced or abandoned due to storm and tidal movements, theft, captured in another fisherman's gear, or from having the floats cut by propellers. The removal of these traps is necessary to keep Louisiana's coast pristine and to facilitate improvement in the blue crab stock.

The Wildlife and Fisheries Commission has amended the provisions in LAC 76:VII.367 governing the locations of temporary crab trap closures to address problems in portions of state waters resulting from large numbers of abandoned and derelict crab traps (*Louisiana Register, Volume 30, Number 1; Volume 31, Number 1; Volume 32, Number 2; Volume 33, Number 1; Volume 34, Number 1; Volume 36; Number 1; Volume 38, Number 1; Volume 38, Number 12; Volume 40, Number 1; Volume 41, Number 1; Volume 42, Number 1; Volume 42, Number 12; Volume 44, Number 1; Volume 45, Number 2; Volume 45, Number 12; Volume 46, Number 11; Volume 47, Number 11; Volume 48, Number 11*). The Wildlife and Fisheries Commission took action on August 3, 2023 to describe a new portion of state waters to be temporarily closed to the use of crab traps for the purpose of conducting a crab trap cleanup.

The Secretary of the Department of Wildlife and Fisheries is authorized to take any and all necessary steps on behalf of the commission to promulgate and effectuate this Notice of Intent, including but not limited to, the filing of the Fiscal and Economic Impact Statement, the filing of the Notice of Intent and compiling public comments and submissions for the commission's review and consideration. In the absence of any further action by the commission following an opportunity to consider all public comments regarding the proposed Rule, the Secretary is authorized and directed to prepare and transmit a summary report to the legislative oversight committees and file the final Rule.

Title 76

WILDLIFE AND FISHERIES

Part VII. Fish and Other Aquatic Life

Chapter 3. Saltwater Sport and Commercial Fishery §367. Derelict Crab Trap Removal Program

A. The use of crab traps shall be prohibited for a 14-day period from 12:00 a.m. February 1, 2024 through 11:59 p.m. February 14, 2024 within St. Bernard Parish as described below:

1. from a point originating at the most northeastern corner of Proctor Point in Lake Borgne (29 degrees 56 minutes 47.47 seconds north latitude, 89 degrees 42 minutes 54.25 seconds west longitude); thence easterly along 29 degrees 56 minutes 47.47 seconds north latitude to a point northeast of Lake Eugenie on Redfish Bayou (29 degrees 56 minutes 47.47 seconds north latitude, 89 degrees 24 minutes 00.00 seconds west longitude); thence southerly along 89 degrees 24 minutes 00.00 seconds west longitude past Gardner Island to a point located on the western bank of the Mississippi River Gulf Outlet (MRGO) (29 degrees 41 minutes 01.62 seconds north latitude, 89 degrees 24 minutes 00.00 seconds west longitude); thence northwesterly following the western bank of the MRGO to the intersection of Bayou La Loutre; thence westerly following the southern bank of Bayou La Loutre to its intersection with the western bank of Shell Beach Cut (29 degrees 50 minutes 28.27 seconds north latitude, 89 degrees 41 minutes 23.38 seconds west longitude); thence northerly following the western bank of Shell Beach Cut to its entry point at Lake Borgne (29 degrees 51 minutes 54.53 seconds north latitude, 89 degrees 40 minutes 32.52 seconds west longitude); thence westerly following the southern bank of Lake Borgne as it makes its northern turn at Proctor Point and terminating at the origin.

B. The use of crab traps shall be prohibited for 14 days from 12:00 a.m. February 1, 2024, through 11:59 p.m. February 14, 2024, within portions of Plaquemines Parish as described below:

1. from a point originating at the intersection of the south bound lane of Highway 23 and the Doullut Canal (29 degrees 23 minutes 02.72 seconds north latitude, 89 degrees 36 minutes 10.11 seconds west longitude); thence southerly along Highway 23 to its intersection with Jump Basin Road; thence southerly on Jump Basin Road as it transitions into Tide Water Road; thence southerly to the end of Tide Water Road as it intersects the eastern shoreline of Red Pass (29 degrees 13 minutes 52.41 seconds north latitude, 89 degrees 23 minutes 26.64 seconds west longitude); thence southwesterly along the eastern shoreline of Red Pass to its intersection with the shrimp inside-outside line (29 degrees 12 minutes 34.02 seconds north latitude, 89 degrees 28