

NOTICE OF INTENT

Department of Revenue Policy Services Division

Corporation Income Tax
(LAC 61:I.1122, 1124, and 1125)

Under the authority of R.S. 47:1511 and 287.86 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.1122 and to repeal 1124 and 1125.

The primary purpose of the proposed regulation is to implement Act 103 of the 2015 Regular Session of the Louisiana Legislature, which repeals the carryback provisions as it relates to net operating losses for corporations.

Title 61

REVENUE AND TAXATION

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

Chapter 11. Corporation Income Tax

§1122. Taxes Not Deductible

- A. - B. ...
- C. - D. Repealed.
- E. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:287.83, R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Income Tax Section, LR 14:96 (February 1988), repromulgated by the Department of Revenue, Policy Services Division, LR 30:470 (March 2004), amended by the Department of Revenue, Policy Services Division, LR 33:295 (February 2007), amended by the Department of Revenue, Policy Services Division, LR 48:

§1124. Net Operating Loss Deduction

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:287.86, R.S. 47:287.785 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 30:2494 (November 2004), repealed LR 48:

§1125. Application of Net Operating Losses Carryover to Otherwise Closed Years

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:287.86 and 1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 36:2290 (October 2010), repealed LR 48:

Family Impact Statement

The proposed amendment of LAC 61:I.1122 and repeal of §§1124 and 1125, regarding the repeal of net operating loss carrybacks, 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 these proposed rules 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

The proposed amendments and proposed repeal will have no impact on poverty as described in R.S. 49:973.

Provider Impact Statement

The proposed amendments and proposed repeal 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.

Small Business Analysis

It is anticipated that the proposed amendments and proposed repeal 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 these proposed amendments to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Public Comments

Any interested person may submit written data, views, arguments or comments regarding the proposed amendments and/or repeal 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., Wednesday, September 28, 2022.

Public Hearing

A public hearing will be held on Thursday, September 29, 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: Corporation Income Tax

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

The proposed amendments to LAC 61:I.1122; 1124, and 1125 remove various administrative provisions made obsolete by Act 103 of the 2015 Regular Session, which repealed the carryback provisions as it relates to net operating losses ("NOL") for corporations.

No impacts on costs borne by state or local governmental units are anticipated due to this proposed rule change.

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

No material impacts on revenue collections of state or local governmental units are anticipated due to this proposed rule change. This proposal is repealing rules that are no longer relevant due to change in statute.

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

No material impacts on costs or economic benefits are anticipated for affected personal, small business or non-governmental groups due to this proposed rule change.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)

No material impact on competition or employment is anticipated due to this proposed rule change.

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