

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

#### Interest Waiver and Filing Extensions Following Disasters (LAC 61:III.2111)

Under authority of R.S. 47:1601(A)(2)(e) and 1511 and in accordance with provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to adopt LAC 61:III.2111 to provide automatic extensions and interest waivers for tax returns filed by taxpayers located in disaster areas.

Revised Statute 47:1601(A)(2)(e) authorizes the secretary to waive the interest to promote the effective administration of the tax laws. Taxpayers located in disaster areas need additional time to compile the records required to file tax returns. Providing waiver of interest and automatic extensions will promote the effective administration of the tax laws.

#### Title 61

#### REVENUE AND TAXATION

#### Part III. Department of Revenue—Administrative Provisions and Miscellaneous

#### Chapter 21. Interest and Penalties

#### §2111. Interest Waiver and Filing Extensions Following Disasters

A. The following provisions apply to all returns due following a disaster.

1. Automatic Extensions—Taxpayers located within the disaster areas will automatically be granted the applicable statutory extensions for filing returns without having to file an application for extension.

2. Interest Waiver—Interest on these returns due as a result of a disaster may be waived in accordance with the following guidelines.

a. If the return is filed within the applicable statutorily provided extension period, interest will be automatically waived.

b. If the return is filed after the applicable statutorily provided extension period, the taxpayer must file a written request to have the interest waived.

3. Tax Preparers—If a taxpayer's tax preparer is located within the disaster area, and as a result the taxpayer's returns are not timely filed, the taxpayer must make a written request for interest due as a result of the disaster to be waived.

4. Consolidated Returns—Taxpayers filing consolidated returns for locations within and without the disaster areas should file returns using the information available at the time the return is due. When the amended return is filed to accurately reflect the taxpayer's information, the taxpayer should attach a written request to waive any interest due as a result of the disaster.

#### B. Definitions

*Disaster Area*—a parish or location that has been declared a disaster area by the President.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1601(A)(2)(e) and 1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 32:

#### Family Impact Statement

As required by Act 1183 of the 1999 Regular Session of the Louisiana Legislature the following Family Impact

Statement is submitted to be published with the Notice of Intent in the Louisiana Register. A copy of this statement will also be provided to our legislative oversight committees.

1. The Effect on the Stability of the Family. Implementation of this proposed Rule will have no impact on family stability.

2. The Effect on the Authority and Rights of Parents Regarding the Education and Supervision of Their Children. Implementation of this proposed Rule will have no effect on the authority and rights of parents regarding the education and supervision of their children.

3. The Effect on the Functioning of the Family. Implementation of this proposed Rule will have no effect on the functioning of the family.

4. The Effect on Family Earnings and Family Budget. Implementation of this proposed Rule will have no effect on family earnings and family budget.

5. The Effect on the Behavior and Personal Responsibility of Children. Implementation of this proposed Rule will have no effect on the behavior and personal responsibility of children.

6. The Ability of the Family or a Local Government to Perform the Function as Contained in the Proposed Rule. Implementation of this proposed Rule will have no effect on the ability of the family or a local government to perform this function.

Interested persons may submit data, views, or arguments, in writing to Linda Denney, Senior Policy Consultant, Policy Services Division, Department of Revenue, P.O. Box 44098, Baton Rouge, LA 70804-4098 or by fax to (225) 219-2759. All comments must be submitted by 4:30 p.m., Wednesday, December 28, 2005. A public hearing will be held on Thursday, December 29, 2005, at 2:00 p.m. in the River Room on the Seventh Floor of the LaSalle Building at 617 North Third Street, Baton Rouge, LA 70802-5428.

Cynthia Bridges  
Secretary

#### FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

#### RULE TITLE: Interest Waiver and Filing Extensions Following Disasters

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

This proposed rule provides for automatic extensions and interest waivers for tax returns filed by taxpayers located in disaster areas.

Implementation of this proposed rule will have minimal impact of the agency's costs. Providing automatic extensions to taxpayers in the disaster areas without the need for a request will streamline agency procedures and reduce manual extension request processing.

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

This proposed rule, which provides waivers of interest for taxpayers located in disaster areas under certain circumstances, will result in an indeterminable reduction in the state's interest collections. We do not have data to estimate the amount of the revenue loss. This proposed rule will have no effect on the revenue collections of state or local governmental units.

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

This proposed rule will provide relief to taxpayers that are located in disaster areas and need additional time to compile the records required to file tax returns. The amount of the interest to be waived cannot be determined.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT  
(Summary)

This proposed rule will have no effect on competition or employment.

Cynthia Bridges  
Secretary  
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Robert E. Hosse  
Staff Director  
Legislative Fiscal Office