

NOTICE OF INTENT

Department of Revenue Policy Services Division

Income—Withholding Tax (LAC 61:I.1516)

Under the authority of R.S.47:1511, R.S.47:1519, and R.S.47:114 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 adopt LAC 61.I.1516.

Pursuant to Act 107 of the 2012 Regular Legislative Session relative to Returns and Payment of tax, this proposed Rule provides for payment and due dates for payment of tax by every employer or person who deducts and withholds any amount from any wage as required by Louisiana law.

Title 61

REVENUE AND TAXATION

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

Chapter 15. Income—Withholding Tax §1516. Payment

A. All employers or persons who deduct and withhold any amount from any wage pursuant to R.S. 47:114 shall remit payment on a quarterly basis.

B. The due dates for quarterly payments are:

1. first quarter—April 30;
2. second quarter—July 31;
3. third quarter—October 31;
4. fourth quarter—January 31.

C. Exceptions

1. When the amount deducted or withheld within any calendar month from the combined wages of all employees is an amount equal to or greater than \$500.00 but less than \$5,000.00, the taxes withheld shall be paid monthly. Payment is due on the last day of the month following the close of the monthly period.

2. When the amount deducted or withheld within any calendar month from the combined wages of all employees is an amount equal to or greater than \$5,000.00, the taxes withheld shall be paid semimonthly. For wages paid during the first 15 days of a calendar month, the due date is the last calendar day of that month. For wages paid between the sixteenth day and the last day of a calendar month, the due date is the fifteenth day of the following month.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:114, R.S. 47:1511, R.S. 47:1519, and R.S. 47:1520.

HISTORICAL NOTE: Promulgated by the Louisiana Department of Revenue, Policy Services Division, LR 39:

Family Impact Statement

The proposed adoption of LAC 61:III.1516, regarding individual income tax withholding, 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.

Public Comments

Interested persons may submit written data, views, arguments, or comments regarding this proposed Rule to the Policy Services Division, by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098 or by fax to (225) 219-2759. All comments must be received no later than 5:00 p.m., November 27, 2012.

Public Hearing

A public hearing will be held on November 28, 2012 at 9 a.m. in the River Room, on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Tim Barfield
Executive Counsel

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Income—Withholding Tax

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

Act 107 of the 2012 Regular Legislative Session deleted payment due dates from R.S. 47:114 and provided that payments shall be made as prescribed by the secretary of the Department of Revenue. The proposed Rule provides that taxpayers that withhold \$500 or less per month shall remit payments quarterly, taxpayers that withhold greater than \$500 but less than \$5,000 per month shall remit payments monthly, and taxpayers that withhold greater than \$5,000 per month shall remit payments semi-monthly. The withholding reporting and remittance model was changed for all withholding taxpayers beginning with taxes withheld on or after January 1, 2012. Payment frequency requirements were changed in the new model for those taxpayers who withheld between \$2,000 and less than \$5,000 during any calendar month, who would now be allowed to pay monthly instead of semi-monthly. Implementation costs of changing the entire withholding model include form changes, costs to inform employers of reporting changes and remittance frequency changes, and computer system development and modification. Computer system implementation costs were approximately \$625,000, and the other costs were minimal. Implementation costs were absorbed in the existing budget.

Local governmental units are not affected by this proposal.

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

This proposal only affects the frequency of payments, not the amount of tax that is imposed. Therefore, this proposal should have no impact 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)

Persons affected by this Rule are taxpayers who withheld between \$2,000 and less than \$5,000 during any calendar month. These taxpayers will be required to make fewer payments under this Rule. Costs to these employers are expected to be minimal.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This proposed Rule should not affect competition or employment.

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