

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

Income and Franchise Tax (LAC 61:I.1520)

Under the authority of R.S.47:1511, R.S.47:164(D) R.S.47: 295 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 amend LAC 61.I.1520.

Pursuant to Act 107 of the 2012 Regular Legislative Session relative to Returns and Payment of tax, this proposed amendment makes the regulation consistent with statute which provides that withholding returns are to be filed on a quarterly basis. **Title 61**

#### REVENUE AND TAXATION

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

#### Chapter 15. Income: Withholding Tax

#### §1520. Withholding by Professional Athletic Teams

A. - C. ...

D. Due Date of Withholding Return and Payment. A withholding payment must be submitted for each game played in Louisiana. The payment must be submitted on or before the last day of the month following the month in which the game was played. A withholding return must be submitted for each quarter in which a game was played in Louisiana to reconcile all payments made within that quarter. The withholding return must be submitted quarterly on or before the last day of the month following the quarter in which the game was played.

E. - F. ...

AUTHORITY NOTE: Adopted in accordance with R.S. 39:100.1, R.S. 47:164(D), R.S. 47:295, R.S. 47:1511, R.S. 47: 114 and R.S. 47:1602.1.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 30:91 (January 2004), amended LR 39:

#### Family Impact Statement

The proposed amendment of LAC 61:III.1520, regarding individual withholding by professional athletic teams, 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 Comment

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 28, 2012

## Public Hearing

A public hearing will be held on November 29, 2012 at 11:00 a.m. in the River Room, on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana 70802.

Tim Barfield  
Executive Counsel

## FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

### RULE TITLE: Income and Franchise Tax

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

For professional athletic teams, this proposal amends the withholding tax Rule that relates to the frequency of return filing by changing filing deadlines from monthly to quarterly. Payments must continue to be submitted monthly. This proposal changes the requirement of a monthly return for each month in which a game is played in Louisiana, to a quarterly return for each quarter in which a game is played in Louisiana. This amendment is one of many changes in the withholding reporting and remittance model for all Louisiana employers per Act 107 of 2012 Regular Session. Beginning with taxes withheld on or after January 1, 2012, all employers, including professional athletic teams, will be required to submit quarterly withholding returns reconciling the amount of taxes remitted during the calendar quarter to the amounts withheld during the quarter. Implementation costs of changing the entire withholding model include form changes, costs to inform employers of reporting 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 return filing, 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 professional athletic teams that play games in Louisiana. These taxpayers will be required to file fewer returns under this proposal because they will only be required to file returns quarterly instead of monthly, though payments will continue to be filed monthly. Costs to these employers are expected to be minimal.

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

This proposal should not affect competition or employment.

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