

Employee Certification (Form R-90004-B) for each employee claimed, which includes the qualifying employee's date of birth, date of hire, and satisfied employment criteria of the eligible youth, as defined herein, as well as all other required information. After exercising due diligence to ensure compliance with the requirements provided herein, qualifying taxpayers must maintain supporting documentation which can be produced upon request of the department to substantiate the qualification of an eligible youth. Completed applications should be submitted to YouthJobsCredit@La.gov. A taxpayer is deemed eligible upon satisfactorily demonstrating that it has met the requirements of Subsection A of this Section during the calendar year.

D. Approval

1. For calendar year 2021, the department shall notify each taxpayer that submitted a timely and complete application as to whether the application has been approved or denied as to each youth employee no later than July 1, 2022. For all application periods subsequent to calendar year 2021, the department shall send such notice no later than May 1 following the close of the application period. If approved, the tax notice letter shall include Form R-90004 indicating the amount of credit earned and the taxable periods against which the nonrefundable credit(s) may be used. If denied, the letter shall so provide the reasons for denial.

2. Pursuant to R.S. 47:6028, an approved application shall authorize a taxpayer for eligibility for one or more nonrefundable credit(s) with a carryforward of five years equal to \$750 or \$1250 for each eligible youth employed in either a part-time or full-time position, respectively, unless subject to proration, for the tax period deemed eligible. In the event the taxpayer is subject to proration due to the credit cap provisions, the taxpayer shall only be eligible for a credit equal to the pro rata amount for the tax period deemed eligible.

3. For each calendar year, beginning with the March 1-April 30, 2022 application period, the department shall not approve credits in excess of \$5,000,000. For purposes of administering the credit cap, the department shall count each approved eligible youth employed either part-time or full-time at a value of \$750 or \$1250, respectively, or if subject to proration, the pro rata value. Eligible applications shall be approved for the credit by the department on a first-come, first-served basis as determined by the received date of a completed Louisiana Youth Jobs Tax Credit Application. An application shall not be considered complete until all information requested by the department has been received.

4. All applications received on the same business day shall be treated as received at the same time, and if the aggregate amount of requests received on the same business day exceeds the total amount of available tax credits, tax credits shall be approved on a pro rata basis.

5. In the event it is determined by the department that the taxpayer has not met the requirements of Subsection A of this Section, any amounts approved are subject to disallowance and any amounts allowed to offset tax are subject to recapture by the department.

E. Claiming the Credit

1. Taxpayers claiming tax credits on a return must include Form R-90004. The accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required herein, as provided by R.S. 47:1624(F).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and R.S. 47:6028.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 48:504 (March 2022).

§1923. Mobile Workforce Exemption

A. General Description

1. The Mobile Workforce Exemption allows certain nonresident mobile workers to exclude wages from Louisiana tax table income. The exemption further relieves employers of such nonresident employees of the requirement to withhold Louisiana individual income tax on the nonresident employee's wages.

2. To be eligible for the exemption, all of the following requirements must be met:

a. The compensation is paid for employment duties performed by the nonresident individual in this state for 25 or fewer days in the calendar year.

b. The nonresident individual performed employment duties in more than one state during the calendar year.

c. The wages are not paid for employment duties performed by the nonresident individual in the individual's capacity as a professional athlete, staff member of a professional athletic team, professional entertainer, public figure, or qualified production employee.

d. The nonresident individual's income is exempt from taxation by this state under the United States Constitution or federal statute or the nonresident individual's state of residence either provides a substantially similar exemption or does not impose an individual income tax.

e. The nonresident individual did not have any other income derived from sources within the state during the taxable year.

B. Definitions. For purposes of this Section, the following terms shall have the meaning ascribed therein.

Day—an employee is considered present and performing employment duties within Louisiana for a day if the employee performs more of his or her duties within Louisiana than any other taxing jurisdiction for that day. Where an employee is present and performing more employment duties in Louisiana than another taxing jurisdiction on the same day, the employee will be considered to have performed the preponderance of his or her duties for that day in Louisiana. The portion of a day that an employee spends in Louisiana while in transit is not considered in determining whether he or she performed employment duties.

Department—the Louisiana Department of Revenue.

Employee—as defined in R.S. 47:111(A), with the exception of a professional athlete, staff member of a professional athletic team, professional entertainer, public figure, or qualified production employee.

Employer—as defined in R.S. 47:111(B).

Time and attendance system—a system through which an employee is required, on a contemporaneous basis, to record the employee's work location for every day worked outside the state where the employee's employment duties are primarily performed and that is designed to allow the employer to allocate the employee's compensation for income tax purposes among all states in which the employee performs employment duties for the employer.

C. Filing Requirements.

1. Employees

a. Nonresident employees seeking to claim the exemption for income earned while performing employment duties within the state for less than 25 days are not required to file a Louisiana individual income tax return. If the nonresident employee has other income from Louisiana sources, the nonresident employee does not qualify for this exemption and thus all Louisiana income must be reported on the Nonresident and Part-Year Resident (NPR) Worksheet of the Louisiana Form IT-540B, *Louisiana Nonresident and Part-Year Resident Income Tax Return*.

b. Nonresident employees must file Form L-4E, *Exemption from Withholding Louisiana Income Tax* with their employer in order for their employer to refrain from withholding Louisiana income tax from their wages. Taxpayers must file a new L-4E annually in order to continue claiming the exemption and must revoke this exemption certificate by completing a Form L-4, *Employee Withholding Exemption Certificate*:

- i. within 10 days from the twenty-sixth day of performing employment duties within the state;
- ii. within 10 days from the day you anticipate you will incur Louisiana income tax liability for the current year; or
- iii. by the first day of the last month of your current taxable year if you anticipate you will incur Louisiana income tax liability for the following year.

2. Employers. If a nonresident employee performs employment duties in excess of 25 days within the state, the employer must begin withholding income tax and report such tax on Form L-1, *Employer's Quarterly Return of Louisiana Withholding Tax* beginning in the period in which the twenty-sixth day fell within.

D. Penalty for Failure to Deduct or Withhold Income Tax

1. The Department shall not require the payment of penalties or interest for failing to deduct and withhold income tax for a nonresident employee who does not qualify for the

exemption, if the employer meets any of the following conditions:

a. The employer at its sole discretion maintained a time and attendance system specifically designed to allocate employee wages for income tax purposes among all taxing jurisdictions in which the employee performs employment duties for the employer, and the employer relied on data from that system.

b. The employer did not maintain a time and attendance system, and the employer relied on either:

- i. its own records, maintained in the regular course of business, of the employee's location;
- ii. the employee's reasonable determination of the time the employee expected to spend performing employment duties in this state provided the employer did not have actual knowledge of fraud on the part of the employee in making the determination and provided that the employer and the employee did not collude to evade taxation in making the determination.

2. The department shall require the payment of penalties or interest for failing to deduct and withhold income tax if the employer fails to meet either of the conditions of this Subsection.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:112.2, R.S. 47:242(1)(ii), R.S. 47:248, and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 49:334 (February 2023).

§1925. Donations to Qualifying Foster Care Charitable Organization Credit

A. General Description.

1. The Donation to Qualified Foster Care Charitable Organization credit provides a nonrefundable income tax credit for donations made on or after January 1, 2022 to the QFCCO. To qualify for the credit, the donation must be used by the QFCCO to provide services to qualified individuals.

2. QFCCOs are certified by the Department to receive contributions eligible for the tax credit. This certification only pertains to the Donation to Qualifying Foster Care Charitable Organization Credit. This program does not apply to general licensing, operations, or the deductibility of donations to charitable organizations.

3. The credit shall be earned in the year in which the donation was made and shall be equal to the lesser of \$50,000 or the actual amount of donations used by the QFCCO to fund qualified services for qualified individuals.

4. The credit shall be allowed against the income tax for the taxable period in which the credit was earned. If the tax credit allowed pursuant to R.S. 47:6042 exceeds the amount of such taxes due, any unused credit may be carried forward as a credit against subsequent tax liability for a period not to exceed five years.

B. Definitions

Affiliated—any entity possessing either a: