

NOTICE OF INTENT

Department of Revenue Tax Policy and Planning Division

Installment Agreement for Payment of Tax (LAC 61:I.4919)

Under the authority of R.S. 47:105(B), 47:1511 and 47:1576.2(B), and in accordance with the Administrative Procedure Act, R.S. 49:950 *et seq.*, the Department of Revenue, Tax Policy and Planning Division, gives notice that rulemaking procedures have been initiated to propose to amend LAC 61:I.4919.

Louisiana Revised Statutes 47:105 and 47:1576.2 authorize the payment of taxes in installments and gives the secretary authority to promulgate rules to administer the installment program. The purpose of this regulation is to allow payment of the installment agreement and reinstatement fee to be paid in installments.

This rule is written in plain language in an effort to increase transparency.

Title 61 REVENUE AND TAXATION Part I. Administrative and Miscellaneous Provisions Chapter 49. Tax Collection

§4919. Installation Agreement for Payment of Tax

A. ...

B. Installment Agreement. If a taxpayer qualifies for an installment agreement, the secretary may allow the taxpayer to pay taxes, interest, penalties, fees and costs due in installments subject, but not limited, to the following requirements or conditions.

1. The taxpayer shall pay a nonrefundable installment agreement fee in the amount of \$105, payable to the Department of Revenue, to establish an installment agreement for the payment of the tax debt. Payment of the fee is mandatory. The installment agreement fee cannot be ~~paid in installments~~ ~~nor~~ waived or applied against any tax debt. However, the secretary shall not charge the fee to enter into an installment payment agreement plan with any taxpayer whose adjusted gross income is less than or equal to \$25,000.

B.2. - D. ...

E. Default; Reinstatement of Installment Agreement

1. If any installment payment is not paid on or before the date fixed for its payment, the total outstanding balance shall be due and payable immediately upon notice and demand from secretary. All collection actions shall be reactivated.

2. Upon request of the taxpayer and the approval of the secretary, the installment agreement may be reinstated, provided the taxpayer pays the mandatory reinstatement fee in the amount of \$60, payable to the Department of Revenue. The reinstatement fee cannot be ~~paid in installments~~ ~~nor~~ waived or applied against any tax debt.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:105 and R.S. 47:1576.2.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 42:281 (February 2016), amended LR 47:892 (July 2021), amended by the Department of Revenue, Tax Policy and Planning Division, LR 50:1293 (September 2024), amended LR 51:

Family Impact Statement

The Rule will not have a measurable impact on family as defined by R.S. 49:972(D) or on family formation, stability and autonomy, as the regulation only changes the limitations of the regulation to allow payment of the installment program fee to be included with payment of the installment amount due under the agreement. The Rule should have no other known or foreseeable impact 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 Impact Statement

The proposed Rule has no known impact on poverty as described in R.S. 49:973.

Small Business Impact Analysis

The proposed Rule has no known or foreseeable measurable impact on small businesses as described in R.S. 49:974.4.

Provider Impact Statement

The Rule has 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.

Public Comments

All interested persons may submit written data, views, or comments regarding this proposed rule to Johnette L. Martin, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m., June 2, 2025.

Public Hearing

A public hearing will be held on June 4, 2025 at 2 p.m. in the LaBelle Room located on the 1st floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana. Should an individual with a disability wish to participate in the public hearing and is in need of assistance to do so, please notify Johnette L. Martin seven (7) days in advance of the hearing date for accommodations to be arranged, at the address given above in the Public Comments section, by email at LDRadarequests@la.gov, or by phone at (225) 219-2784.

Richard Nelson
Secretary of Revenue

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Title 61

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Richard Nelson
Secretary of Revenue

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

Person Preparing Statement: <u>Dana Gibson</u>	Dept.: <u>Revenue</u>
Phone: <u>(225) 219-2174</u>	Office: <u>External Reporting Division</u>
Return Address: <u>617 North Third Street</u> <u>Baton Rouge, LA 70802</u>	Rule Title: <u>LAC 61.1.4919</u>
	Date Rule Takes Effect: _____

SUMMARY
(Use complete sentences)

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

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

The proposed rule is not anticipated to result in material additional costs or cost savings to the Louisiana Department of Revenue (LDR). Local governments will not be affected by this proposal.

This proposal amends the rule to allow the installment agreement fee and reinstatement fee for informal installment agreements to be paid in installments. However, the secretary shall not charge a fee to enter into an installment payment agreement plan with any taxpayer whose adjusted gross income is less than or equal to \$25,000.

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

The proposed rule is anticipated to have an indeterminable decrease on self-generated revenue collections in LDR beginning in FY 26. Self-generated revenue associated with installment agreement fees and reinstatement fees are anticipated to decrease in the short term as taxpayers will be able to spread the payment of the fees over monthly installments payments under the proposed rule, instead of paying the fee up front to initiate or reinstate an informal installment plan. However, LDR will collect the same amount of revenue per installment plan over the length of the payment agreement, since no interest will be charged on the fee.

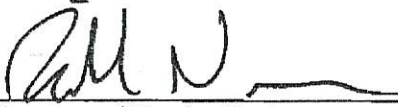
Local governmental units are not affected.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

Affected taxpayers are anticipated to benefit by receiving additional time to pay the installment fee or reinstatement fee. Taxpayers who face liquidity constraints may now qualify to spread the fees over monthly payments during the course of installment agreements.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated impact on competition or employment.



Signature of Head or Designee

RICHARD NELSON, SECRETARY

Typed Name & Title of Agency Head or Designee

4/9/2025

Date of Signature



Patricia Thomas, Deputy Fiscal Officer

Legislative Fiscal Officer or Designee

4/09/2025

Date of Signature