

NOTICE OF INTENT

Department of Revenue Tax Policy and Planning Division

Electronic Filing and Payment Requirement for Dealers Providing Telecommunications, Cable Television, Direct-to-Home Satellite, Video Programming and Satellite Digital Audio Radio Services
(LAC 61.III.1551 and 1552)

Under the authority of R.S. 47:1511, 47:1519, and 47:1520 and in accordance with the provisions of 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 adopt LAC 61:III.1551 and 1552 to require electronic filing and payment of Louisiana sales and use tax by dealers of telecommunications services, cable television services, direct-to-home satellite services, video programming services provided by cable television and satellite service providers, and satellite digital audio radio services. This action is deemed necessary to effectively administer certain sales and use taxes enacted by Act 11 of the 2024 Third Extraordinary Session of the Louisiana Legislature. Act 11 levies an additional state sales and use tax upon all telecommunications services, cable television services, direct-to-home satellite services, video programming services provided by cable television and satellite service providers, and satellite digital audio radio services in Louisiana at the rate of 5% of the amounts paid or charged for those services. This additional state sales tax is dedicated to the Local Revenue Fund. The Department of Revenue is requiring electronic filing and payment to properly account for the dedicated collections.

R.S. 47:1519(B)(1) authorizes the secretary to require payments by electronic funds transfer, and R.S. 47:1520(A)(2) grants the secretary the discretion to require electronic filing of tax returns or reports by administrative rule promulgated with legislative oversight in accordance with the Administrative Procedure Act, R.S. 49:950 *et seq.* R.S. 47:1520(A)(1)(d) also allows the secretary to require electronic filing when the report is required for dedicated fund distribution. The purpose of this Notice of Intent is to require dealers to electronically file all state sales tax returns and electronically submit all related sales and use tax payments. This Rule is written in plain language in an effort to increase transparency.

Title 61

REVENUE AND TAXATION

Part III. Administrative and Miscellaneous Provisions

Chapter 15. Mandatory Electronic Filing of Tax Returns and Payment for Dealers Providing Telecommunications Services, Cable Television Services, Direct-To-Home Satellite Services, Video Programming Services and Satellite Digital Audio Radio Services

§1551. Telecommunications, Cable, and Satellite Dealers – Electronic Filing Requirements

A. For tax periods beginning on or after January 1, 2025, dealers providing telecommunications services, cable television services, direct-to-home satellite services, video programming services by cable television and satellite service providers, and satellite digital audio radio services as described in R.S. 47:301.1(F)(2) and R.S. 47:301.3(11) (collectively referred to herein as “dealers”) shall be required to file Louisiana sales and use tax returns electronically.

B. Dealers may not file paper versions of the Louisiana sales and use tax return.

C. 1. Failure to comply with the electronic filing requirement of this section will result in the assessment of a penalty as provided for in R.S. 47:1520(B).

2. Waiver of the penalty provided for in paragraph 1 of this subsection shall only be allowed as provided for in R.S. 47:1520(B).

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

HISTORICAL NOTE: Promulgated by the Department of Revenue, LR:

§1552. Telecommunications, Cable, and Satellite Dealers - Electronic Payment Required

A. R.S. 47:1519(B)(1) allows the secretary to require dealers to pay sales and use tax by electronic funds transfer.

B. Effective for all taxable periods beginning on or after January 1, 2025, all sales and use tax payments by any dealer providing telecommunications services, cable television services, direct-to-home satellite services, video programming services by cable television and satellite service providers and satellite digital audio radio services as described in R.S. 47:301.1(F)(2) and R.S. 47:301.3(11) shall be electronically transferred to the department on or before the twentieth day following the close of the reporting period using the electronic format provided.

C. For purposes of this Rule, specific requirements relating to the procedures for making payments by electronic funds transfer are set forth in R.S. 47:1519 and LAC 61.I.4910(E).

D. Failure to comply with the electronic funds transfer requirements shall result in the tax payment being considered delinquent and subject to penalties and interest as provided under R.S. 47:1601 and 1602.

E. If the dealer has made a good faith attempt and exercises due diligence in initiating a payment under the provisions of R.S. 47:1519, this Rule, and LAC 61.I.4910 (E), but because of unexpected problems arising at financial institutions, Federal Reserve facilities, the automated clearinghouse system, or state agencies, the payment is not timely received, the delinquent penalty may be waived as provided by R.S. 47:1603. Before a waiver will be considered, the dealer must furnish the department with documentation proving that due diligence was exercised and that the delay was clearly beyond their control.

F. In any case where the dealer can prove payment by electronic funds transfer would create an undue hardship, the secretary may exempt the taxpayer from the requirement to transmit funds electronically.

G. The tax returns must be filed electronically; separately from the electronic transmission of the remittance.

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

HISTORICAL NOTE: Promulgated by the Department of Revenue, LR:

Richard Nelson
Secretary
Department of Revenue

Family Impact Statement

The proposed adoption of this Rule has no known impact on family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. The proposed Rule also has 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 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 proposed 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, arguments or comments regarding this proposed Rule to Stacey Greaud, Attorney, Tax Policy and Planning Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098 or by email at stacey.greaud@la.gov and reference Mandatory Electronic Filing of Tax Returns and Payment Regulation Comments. Written comments will be accepted until 4:30 p.m., August 18, 2025.

Public Hearing

A public hearing will be held on August 19, 2025 at 10:00 a.m. in the River Room located on the 7th floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana. Should individuals with a disability need an accommodation in order to participate please email us at LDRadarequests@la.gov or call (225) 219-2787.

Richard Nelson
Secretary
Department of Revenue

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULE

RULE TITLE: Mandatory Electronic Filing of Tax Returns and Payment for Dealers Providing Telecommunications Services, Cable Television Services, Direct-To-Home Satellite Services, Video Programming Services and Satellite Digital Audio Radio Services

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

Implementation of these proposed rules is associated with \$77,450 in additional costs related to the development and testing of the return incurred in FY 25. Computer system acceptance of the required electronic return is already in place. Accounting for non-compliance penalties will not result in material additional costs.

The proposed rules require dealers providing telecommunication services, cable television services, direct-to-home satellite services, video programming services, and satellite digital audio radio services to submit returns and payments electronically on Form R-1029E, *Electronic Sales Tax Return*. The proposed rules also provide for the assessment of penalties for non-compliance and the waiver of penalties as provided for in La. R.S. 47:1520(B).

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

The proposed rules may increase self-generated revenue (SGR) and state general fund (SGF) collections from penalties by an indeterminable amount beginning in FY 26 (see note below). A modest and temporary increase in revenue from penalties may occur as the proposed rules are implemented, although LDR cannot predict non-compliant behavior. For returns that are currently required to be filed electronically, LDR has collected the following amounts in non-E-filing penalties: \$48,900 in FY 20, \$23,500 in FY 21, \$13,900 in FY 22, \$113,100 in FY 23, and \$188,000 in FY 24. LDR has collected the following amounts in non-E-payment penalties: \$395,800 in FY 20, \$438,500 in FY 21, \$390,900 in FY 22, \$0 in FY 23, and \$0 in FY 24. However, any actual collections in penalties are dependent upon non-compliant behavior associated with the filing types included in the proposed rules. Therefore, any increase in revenue is indeterminable.

Note: Pursuant to Act 348 of the 2020 Regular Session, penalties and fees except compensatory fees levied by LDR will accrue to the state general fund, rather than to self-generated revenue for the department.

Local governmental units are not affected.

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

The proposed rules require dealers providing telecommunication services, cable television services, direct-to-home satellite services, video programming services, and satellite digital audio radio services to file their returns and reports electronically on Form R-1029E, *Electronic Sales Tax Return*, and remit the tax and payment by electronic funds transfer for reporting periods beginning on or after January 1, 2025. Electronic filing of the sales tax returns will be available directly through LDR's LaTAP portal that will allow taxpayers to file for free. LDR does not have the information necessary to determine the additional costs to comply with the proposed rules, but these costs are expected to be minimal as online access and activity has largely become a business standard. To the extent non-compliance penalties are collected, affected taxpayers will incur penalty costs. LDR cannot estimate the additional penalty amount as it is dependent upon taxpayer violations and liabilities.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated impact on competition or employment.

Richard Nelson
Secretary
Department of Revenue

Alan Boxberger
Fiscal Officer
Legislative Fiscal Office

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