

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:

**Family Impact Statement**

The proposed adoption of LAC 61:I.1921, regarding Louisiana Youth Jobs tax credits, 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 the proposed amendment 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.

**Poverty Statement**

This proposed adoption of LAC 61:I.1921 will have no impact on poverty as described in R.S. 49:973.

**Small Business Statement**

It is anticipated that the proposed regulation should not have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting this proposed amendment to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

**Provider Impact Statement**

The proposed regulation will have 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**

Any interested person may submit written data, views, arguments or comments regarding these proposed amendments to Brad Blanchard, Attorney, Policy Services Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be received no later than Monday, 4:00 p.m., January 24, 2022.

**Public Hearing**

A public hearing will be held on Tuesday, January 25, 2022, at 2:00 p.m. in the LaBelle Room, on the first floor of

the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Kimberly J. Lewis  
Secretary

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

**RULE TITLE: Louisiana Youth Jobs Tax Credit**

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

The proposed rule is not anticipated to result in implementation cost or savings to the state or local government units.

Act 454 of the 2021 Regular Session of the Louisiana Legislature established a non-refundable tax credit to be applied against Louisiana income tax or corporate franchise tax for employers that hire "eligible youth" on or after July 1, 2021. The business must employ the youth for three consecutive months in order to earn the credit. The tax credit amount is \$1,250 per youth hired for a full-time job and \$750 per youth hired for a part-time job.

The proposed rule sets up the application process and the process of approving credits under the established \$5 million cap on granted credits.

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

The proposed rule will decrease SGF for the state, with a maximum of the cap amount of \$5 million per year. The Department of Revenue cannot predict how many employers would seek to hire eligible youth. Of those eligible youth hired, the Department cannot predict how many would be employed full-time versus part-time.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Businesses will need to submit an application to the Department in order to apply for and be certified for the credit. Additional cost for completion and submission of the required paperwork by participating businesses of this proposed rule are expected to be minor.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule incentivizes the employment of eligible disadvantaged youth, but a reasonable determination of the effect on competition and employment cannot be made.

Kimberly Lewis  
Secretary  
2112#029

Alan M. Boxberger  
Deputy Fiscal Officer  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Revenue  
Policy Services Division**

Nonresident Professional Athletes  
(LAC 61:I.1304, 1305, 1520, and III.1527)

Under the authority of R.S. 39:100.1, 47:101(A), 111(A)(12), 114, 164(D), 290, 293, 295, 1511, 1520, 1602.1, 1604.1 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.1304, 1305, 1520 and 61:III.1527 relative to Louisiana income tax returns for nonresident professional athletes.

These proposed amendments would repeal language pertaining to obsolete team composite tax returns and composite payments, which allowed professional athletic teams to report Louisiana individual income tax on behalf of all nonresident team members. These amendments would also effectively modify certain reporting requirements related to the Sports Facility Assistance Fund and make an existing regulation consistent with R.S. 47:1604.1, which modifies penalty rates for fraud, negligence and large tax deficiencies.

## **Title 61**

### **REVENUE AND TAXATION**

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

##### **Chapter 13. Income: Individual**

##### **§1304. Nonresident Apportionment of Compensation from Personal Services Rendered in Louisiana**

A. - I.2. ...

\* \* \*

J. Nothing in this regulation shall restrict the secretary's authority to otherwise provide for efficient administration of the individual income tax.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:111(A)(12), R.S. 47:290, R.S. 47:293, R.S. 47:295, and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 28:99 (January 2002), amended LR 48:

##### **§1305. Income Tax Schedule Requirement for Certain Nonresident Professional Athletes and Professional Sports Franchises**

A. If the Louisiana income tax of a nonresident professional athlete or professional sports franchise is attributable to the Sports Facility Assistance Fund, created by R.S. 39:100.1, the following schedule must be attached to any income tax return filed, including individual, corporate, fiduciary, or trust income tax returns. Each nonresident professional athlete and professional sports franchise with Louisiana source income must attach a schedule to the required Louisiana income tax return—that includes the following information:

1. the name of each facility, course, stadium, or arena at which they earned income in Louisiana;
2. the location of each facility, course, stadium, or arena at which they earned income in Louisiana; and
3. the number of duty days, as defined in LAC 61:I.1304.I, spent at each facility, course, stadium, or arena at which they earned income in Louisiana.

B. ...

\* \* \*

C. Effective for tax years beginning on or after January 1, 2021, nonresident professional athletes, if required to file an individual income tax return, must utilize the Louisiana Nonresident Return, Form IT-540B and attach Schedules NRPA-1 and NRPA-2.

D. Penalty for Failure to Timely Remit Returns, Schedules and Payments

1. The following penalties based on R.S. 47:1602.1 will be imposed for failure to timely remit these returns, schedules, and payments.

a. In the case of failure to timely make and file any return or schedule required by the secretary to administer the provisions of the Sports Facility Assistance Fund, the penalty shall be \$500 for the first such failure, \$1,000 for the second such failure within the three-year period beginning on the due date of the first delinquent return or schedule, and \$2,500 for each subsequent failure within the three-year period beginning on the due date of the first delinquent return or schedule.

b. In the case of failure to timely remit any payment required by the secretary to administer the provisions of the Sports Facility Assistance Fund, the penalty shall be 5 percent of the total payment due if the delinquency is for not more than 30 days, with an additional 5 percent for each additional 30 days or fraction thereof during which the delinquency continues, not to exceed 50 percent of the amount due.

E. Based on R.S. 47:1604.1, any taxpayer who fails to comply with the tax laws of this state or understates tax liability by ten percent or more, under circumstances indicating a careless or reckless disregard of rules and regulations, but with no voluntary intent to defraud, may cause a penalty to be imposed, in addition to any other penalties provided, of 20 percent of the tax or deficiency found to be due.

1. The penalty provided for pursuant to this Paragraph shall not be applicable if a taxpayer's understatement was due to reasonable cause where the taxpayer acted in good faith.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:100.1, R.S. 47:101(A)(3), R.S. 47:295, R.S. 47:1511, R.S. 47:1602.1, and R.S. 47:1604.1.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 28:98 (January 2002), amended LR 34:446 (March 2008), amended LR 48:

##### **Chapter 15. Income: Withholding Tax**

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

A. - G.1.b. ...

H - H.3. repealed.

AUTHORITY NOTE: Promulgated 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 39:104 (January 2013), repromulgated LR 39:330 (February 2013), amended LR 48:

##### **Part III. Administrative and Miscellaneous Provisions** **Chapter 15. Mandatory Electronic Filing of Tax Returns and Payment**

##### **§1527. Electronic Filing Mandate for Reports and Returns related to the Sports Facility Assistance Fund**

A. - B.1.b. ...

c. IT-540B with attached Schedules NRPA-1 and NRPA-2 for nonresident athletes; and

B.1.d. - D. ...

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

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 37:914 (March 2011), amended LR 48:

**Family Impact Statement**

The proposed amendments to LAC 61:I.1304, 1305, 1520 and 61:III.1527, regarding Louisiana Nonresident Professional Athlete Returns, 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.

**Poverty Statement**

This proposed regulation will have no impact on poverty as described in R.S. 49:973.

**Small Business Statement**

It is anticipated that this proposed amendment should not have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting this proposed amendment to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

**Provider Impact Statement**

The proposed amendment will have 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**

Any interested person may submit written data, views, arguments or comments regarding these proposed amendments to Christina Junker, Attorney, Policy Services Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be received no later than 4:00 p.m., Tuesday, January 25, 2022.

**Public Hearing**

A public hearing will be held on Wednesday, January 26, 2022, at 1:00 p.m. in the LaBelle Room, on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Kimberly J. Lewis  
Secretary

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

**RULE TITLE: Nonresident Professional Athletes**

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

This proposed rule change will result in approximately \$12,500 in savings to the LA Department of Revenue (LDR) in fiscal year 2022-2023 and fiscal year 2023-2024. The Department of Revenue, Policy Services Division, proposes to amend LAC 61:I.1304, 1305, 1520 and 61:III.1527 relative to Louisiana income tax returns for nonresident professional athletes. These proposed amendments would repeal language pertaining to obsolete team composite tax returns, change the income tax form required to be filed by nonresident professional athletes (NRPAs) from the Form IT-540B-NRA to the Form IT-540B, further clarifies that late filing of required schedules trigger the delinquent filing penalty, and adds the statute language regarding the delinquent payment penalty. This proposal also implements the provision of Act 348 of the 2020 Regular Legislative Session that is related to the replacement of the 10% "negligence" penalty with the 20% "Accuracy-related" penalty (R.S. 47:1604.1).

Local governments are not affected by this proposal.

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

The proposed rule amendment will result in no impact to the state general fund in FY 2020-2021, and indeterminable impacts to the state general fund in FY2021-2022 and FY2022-2023. Also, this proposal will result in relatively minor increases to LDR self-generated funds in FY 2021-2022, FY2022-2023, and FY2023-2024.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

NRPAs that are delinquent in paying their tax liability will incur increased delinquent payment penalty costs that are relatively minor in the collective. NRPAs that fail to make a reasonable attempt to comply with the tax laws of this state, or carelessly or recklessly disregard the tax laws of this state will collectively and individually incur indeterminable "Accuracy-related" penalty costs. The changes to optional and required return filings are not expected to impact the affected group's costs, workload, or amount of paperwork.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule amendment is not expected to have any effect on competition or employment.

Kimberly Lewis  
Secretary  
2112#027

Alan M. Boxberger  
Deputy Director  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Revenue  
Policy Services Division**

Sales and Use Tax Exemption for Charitable  
Construction of Animal Shelters (LAC 61:I.4427)

Under the authority of R.S. 47:1151, and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, gives notice that rulemaking procedures