

authorization or approval from the board or division, or the internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:

**Chapter 13. Hearings; Administrative Actions; Penalties**

**§1301. Administrative Actions**

A. The board or division may initiate administrative action authorized by the Act for any violation of the Act or of the rules after notice of the proposed administrative action and after opportunity to request a hearing before the board.

B. The board or division may initiate administrative action authorized by the Act for any violation of any condition, restriction, or limitation imposed by the board on a license or permit.

C. The board or division may initiate administrative action against a licensee, permittee, or person required to submit to suitability by the Act or these regulations who, or whose affiliate or parent company, has been subject to administrative action in another jurisdiction for gaming related activity.

D. The board or division may initiate administrative action authorized by the Act for violation of a licensee’s or permittee’s internal controls as approved by the division.

E. Administrative action includes revocation, suspension, finding of unsuitability, or conditioning of a license or permit, imposition of a civil penalty or such other costs as the board or division deems appropriate. The board or division may determine the appropriate sanction considering factors contained in the Act including, but not limited to:

1. the risk to the public and the integrity of sports wagering operations created by the conduct;
2. the seriousness of the conduct and whether the conduct was purposeful and with knowledge that the conduct was in violation of the Act or rules promulgated in accordance with the Act;
3. a justification or excuse for the conduct;
4. the history of the licensee or permittee with respect to gaming activity and the operation of sports wagering;
5. the corrective action taken to prevent similar misconduct from occurring in the future;
6. whether there was any material involvement, directly or indirectly, with the licensee or permittee by a disqualified person as defined in the Act; and
7. in the case of a civil penalty or fine, the amount of the fine in relation to the severity of the misconduct and the financial means of the licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:

**§1303. Civil Penalties**

A. Pursuant to R.S. 27:15, and these regulations, the board or division may impose a civil penalty as provided for in Part III of this Title and in the penalty schedule contained in this Section.

B. The penalty schedule lists a base fine and proscriptive period for each violation committed by the licensee or permittee. If the total amount of the penalty or penalties recommended by the division resulting from an inspection or

investigation exceeds \$300,000.00, the matter shall be forwarded to the board for administrative action.

C. The proscriptive period is the amount of time in which a prior violation is still considered active for purposes of consideration in assessment of penalties. A prior violation is a past violation of the same type which falls within the current violation's proscriptive period. The date of a prior violation shall be the date the licensee or permittee receives the significant action report or violation/inspection report. If one or more violations exist within the proscriptive period, the base fine shall be multiplied by a factor based on the total number of violations within the proscriptive period.

D. A violation of §2931 of Part III of this Title may result in a civil penalty in the same amount as provided in the penalty schedule for the respective violation.

E. Penalty Schedule

Section Reference	Description	Proscriptive Period (Months)	1st
<b>Louisiana Administrative Code, Title 42, Part VI</b>			
42:VI.501(D)	Prohibited Person Placing a Sports Wager	12	\$10,000
42:VI.505(A)	Person Placing a Sports Wager While Located in a Parish that Voted Against Sports Wagering	12	\$10,000

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:

Ronnie S. Johns  
Chairman

2108#001

**DECLARATION OF EMERGENCY**

**Department of Revenue  
Policy Services Division**

**Income Tax Withholding on Gaming Winnings  
(LAC 61:I.1525)**

In accordance with the emergency provisions of the Administrative Procedures Act, R.S. 49:953.1, and Act 211 of the 2021 Regular Session of the Louisiana Legislature, and R.S. 47:1511, the Department of Revenue, Policy Services Division, (“the department”) is, by emergency rule, adopting LAC 61:I.1525. The purpose of this regulation is to require any person paying gaming winnings under the provisions of Act 141 of the 2020 Regular Session of the Louisiana Legislature and Act 80 of the 2021 Regular Session of the Louisiana Legislature to withhold Louisiana income tax. This Emergency Rule is effective September 5, 2021, and will remain in effect for 120 days, unless renewed or revoked, or until the adoption of the final Rule, whichever comes first. The promulgation of this rule on an emergency basis is necessary to implement the required withholding as permits have been approved allowing the betting. Act 141 of the 2020 Regular Session of the Louisiana Legislature and Act 80 of the 2021 Regular Session of the Louisiana Legislature respectively authorize fantasy sports and sports wagering gaming. This Emergency Rule requires income tax withholding from every person or business that pays sports

betting and fantasy sports winnings in excess of \$1,200 at the highest rate provided for by R.S. 47:32(A). This Emergency Rule clarifies that any person paying gaming winnings is required to conform to the electronic filing requirements for LDR Form L-3 and accompanying IRS Form W-2G.

#### **Title 61**

### **REVENUE AND TAXATION**

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

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

#### **§1525. Income Tax Withholding on Gaming Winnings**

A. - A.2. ...

3. Any person that pays sports betting and fantasy sports winnings in excess of \$1,200 shall issue an IRS Form W-2-G and withhold at the highest rate provided for by R.S. 47:32(A) regardless of the *Internal Revenue Code* withholding requirements on such sports betting and fantasy sports winnings.

B. - B.2.b. ...

3. Effective for taxable periods beginning on or after January 1, 2021, persons required to withhold and to remit income taxes on gaming winnings shall electronically file the LDR Form L-3 transmittal and accompanying IRS Form W-2G. Pursuant to the authority of R.S. 47:114(D)(2) and to provide simplicity on related federal filing requirements, the secretary grants an extension of time to file to February 28th to coincide with the federal due date.

a. Electronic Filing Options. The LDR Form L-3 and IRS Form W-2G shall be filed electronically in one of the manners as follows:

i. electronic filing using the LaWage electronic filing application via the LDR website, [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov); or

ii. any other electronic method authorized by the secretary.

4. Tax Preparer Undue Hardship Waiver of Electronic Filing Requirement

a. The secretary may waive the electronic filing requirement if it is determined that complying with the requirement would cause an undue hardship.

b. For the purposes of waiver of the electronic filing requirement, inability by the tax preparer to obtain broadband access at the location where LDR Forms L-3 and IRS Forms W-2G are prepared shall be considered an undue hardship and waiver of the requirement will be granted.

**AUTHORITY NOTE:** Promulgated in accordance with Act 80 of the 2021 Regular Session of the Louisiana Legislature, R.S. 47:32(A), R.S. 47:164, and R.S. 47:1511.

**HISTORICAL NOTE:** Promulgated by the Department of Revenue, Policy Services Division, LR 36:2877 (December 2010), amended by the Department of Revenue, Policy Services Division, LR 47:

Kimberly J. Lewis  
Secretary

2109#64

## **DECLARATION OF EMERGENCY**

### **Workforce Commission Office of Unemployment Insurance Administration**

Invocation of the Statutory Savings Clause under  
R.S. 23:1664 to Delay Implementation of Act 297  
of the 2021 Regular Legislative Session  
(LAC 40:IV.385)

The Louisiana Workforce Commission (LWC) is exercising the emergency provisions of the Administrative Procedure Act, R.S. 49:953(B)(1) et seq., to promulgate a Rule to delay implementation of the provisions of Act 297 of the 2021 Regular Legislative Session (the enacted version of SB 244), that are inconsistent with Federal UI law, namely La. R.S. 23:1772(C), 23:1774(4), and any other related provision that requires LWC to waive UI taxes owed. The USDOL provided the LWC with notice that waiving employer liability for back UI taxes is “not permissible under federal unemployment compensation (UC) law.”

This Emergency Rule is necessary to invoke the statutory savings clause under R.S. 23:1664, which addresses federal-state cooperation and compliance in the administration of Louisiana’s UC program. A delay in promulgating this Rule would have an adverse impact on the Louisiana Workforce Commission’s eligibility for federal funding because Act No. 297, which was signed into law by the Governor on June 14, 2021, and is effective on January 1, 2022, is not in conformity with 26 U.S.C. §3304 of the Federal Unemployment Tax Act (FUTA) and 42 U.S.C. §503, the State Unemployment Tax Act (SUTA) Dumping Prevention Act, as required under La. R.S. 23:1664. It is imperative that the LWC proceed expeditiously and take immediate action with this Rule because of the adverse impact COVID-19 has had on the UC trust fund balance and businesses in the state. It is also imperative that the LWC promulgate this Rule to prevent imminent peril to the public health, safety, and welfare. Failure to adopt this Rule on an emergency basis may imperil LWC’s ability to receive federal funding for failure to meet conformity requirements.

This declaration of emergency is effective November 8, 2021, and shall remain in effect for the maximum period allowed under the Administrative Procedure Act, R.S. 49:953.1 et seq., or until adoption of the final Rule, whichever occurs first.

#### **Title 40**

### **LABOR AND EMPLOYMENT**

#### **Part IV. Employment Security**

#### **Chapter 3. Employment Security Law**

#### **§385. Invocation of the Statutory Savings Clause under R.S. 23:1664 to Delay Implementation of Act No. 297 of the 2021 Regular Legislative Session**

A. Pursuant to the Fresh Start Proper Worker Classification Initiative and the Louisiana Voluntary Disclosure program under Act No. 297 (the enacted version of SB 244), employer liability for SUTA dumping penalties