

R.S. 47:32(A) if income taxes are required to be withheld for the Internal Revenue Service under 26 USC 3402 on the same winnings. This amendment also 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. This Rule is hereby adopted on the day of promulgation.

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. Withholding Requirement for Gaming Winnings

1. Any person that pays gaming winnings won in Louisiana is required to withhold individual income taxes at the highest rate provided for by R.S. 47:32(A) if income taxes are required to be withheld for the Internal Revenue Service under 26 USC 3402 on the same winnings.

2. Additionally following current Department of Revenue practice, casinos that pay slot machine winnings in excess of \$1,200 shall issue an IRS Form W-2G and withhold at the highest rate provided for by R.S. 47:32(A) of the slot machine winnings regardless of the Internal Revenue Code withholding on such slot machine winnings.

3. Any person that pays sports wagering and fantasy sports contest winnings won in Louisiana is required to withhold individual income taxes at the highest rate provided for by R.S. 47:32(A) if income taxes are required to be withheld for the Internal Revenue Service under 26 USC 3402 on the same 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; 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 48:504 (March 2022).

Kevin J. Richard, CPA
Secretary

2203#028

RULE

Department of Revenue Policy Services Division

Louisiana Youth Jobs Tax Credit (LAC 61:I.1921)

Under the authority of R.S. 47:1511 and 6028 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, has adopted LAC 61:I.1921 relative to the Louisiana Youth Jobs Tax Credit.

Revised Statute 47:6028 authorizes a credit for businesses that hire an eligible youth, as defined therein. The purpose of the adoption is to implement Act 454 of the 2021 Regular Session of the Louisiana Legislature relative to the Youth Jobs Tax Credit. This Rule is hereby adopted on the day of promulgation.

Title 61

REVENUE AND TAXATION

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

Chapter 19. Miscellaneous Tax Exemptions, Credits and Deductions

§1921 Louisiana Youth Jobs Tax Credit

A. General Description

1. The Youth Jobs credit provides an income and franchise tax credit for businesses that hire one or more eligible youth, as defined herein, on or after July 1, 2021. The credit is allowable on a one-time basis for each eligible youth hired.

2. To be eligible for the credit, a business must employ an individual who:

a. meets the definition of an eligible youth, as defined herein, on or after July 1, 2021;

b. has worked in a full-time or part-time position, as defined herein, for at least three consecutive months at the business seeking to utilize the credit.

3. For a business seeking to utilize the credit for the amounts authorized for a full-time position, as provided in Paragraph D.2., an individual must have worked for three consecutive months in a full-time position in order to be eligible for the amounts so authorized.

4. The credit shall be earned in the year in which the eligible youth completes the third consecutive month of work in either a full-time or part-time position. Under no circumstances may a business earn more than one credit per eligible youth.

5. The credit shall be allowed against the income tax for the taxable period for which the credit is earned and against the franchise tax for the taxable period following the

period in which the credit is earned. If the tax credit allowed pursuant to R.S. 47:6028 exceeds the amount of such taxes due, any unused credit may be carried forward as a credit against subsequent liability for a period not to exceed five years.

6. A taxpayer shall not receive any other incentive for the job creation or hiring of an eligible youth for which the taxpayer has received a tax credit pursuant to this Section, including but not limited to the provisions of R.S. 25:1226, 47:6023, 6026, 6033 or 51:1787, and 2451.

B. Definitions

Department—the Louisiana Department of Revenue

Eligible Youth—an individual who:

a. has attained the age of 16 but not yet attained the age of 24.

b. is unemployed prior to being hired by a business that will apply for a credit pursuant to the provisions of this Section.

c. will be working in a full-time or part-time position that pays wages that are equivalent to the wages paid for similar jobs, with adjustments for experience and training.

d. meets at least one of the following criteria:

i. is at least 18 years old, is no longer in school, and does not have a high school diploma, HiSET or GED credential, or high school equivalency diploma;

ii. is a member of a family that is receiving assistance from the Family Independence Temporary Assistance Program;

iii. is a member of a family that is receiving benefits through the Supplemental Nutrition Assistance Program;

iv. is a member of a family that is receiving assistance from the Kinship Care Subsidy Program;

v. is a member of a family that is receiving assistance or benefits under the Temporary Assistance for Needy Families Program;

vi. has served time in jail or prison or is on probation or parole;

vii. is pregnant or is a parent;

viii. is homeless;

ix. is currently or was in foster care, extended foster care, or the custody of the Department of Children and Family Services;

x. is a veteran;

xi. is the child of a parent who is currently incarcerated or was released from incarceration within the past two years;

xii. lives in public housing or receives housing assistance such as a Section 8 voucher.

Full-Time Position—a position in which a person works at least 32 hours per week.

Part-Time Position—a position in which a person works at least 20 hours per week but less than 32 hours per week.

C. Application

1. Beginning January 1, 2022, taxpayers seeking to utilize the youth jobs tax credit for taxable periods beginning on or after January 1, 2021 must annually apply for and be deemed eligible for the credit by the department. The application period for calendar year 2021 shall begin on March 1, 2022 and conclude on April 30, 2022. Thereafter, the application period shall begin on January 1 and conclude

on February 28 of the subsequent calendar year. Applications may not be submitted and will not be accepted prior to the application period. Taxpayers must electronically submit a Louisiana Youth Jobs Tax Credit Application (Form R-90004) to the department for review. Each application must include an employee-completed Louisiana Youth Jobs Tax Credit 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).

Kimberly J. Lewis
Secretary

2203#016

RULE

**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, has adopted LAC 61:I.4427 to provide guidance on the procedures for receiving the sales and use tax exemption provided in R.S. 47:305.59(B) as enacted by Act 299 of the 2021 Regular Session.

R.S. 47:1511 authorizes the secretary to prescribe rules and regulations to carry out the purposes of Title 47 and the purposes of any other statutes or provisions included under the secretary's authority. R.S. 47:305.59(B) provides a sales tax exemption for materials used in the construction of new animal shelters. The purpose of this regulation is to provide further guidance on requesting and receiving the exemption. This Rule is hereby adopted on the day of promulgation.

Title 61

REVENUE AND TAXATION

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

Chapter 44. Sales and Use Tax Exemptions

**§4427. Sales and Use Tax Exemption for Charitable
Construction of Animal Shelters**

A. R.S. 47:305.59(B) provides a state sales and use tax exemption for sales of construction materials to certain animal shelter purchased between October 1, 2021, and June 30, 2025, are intended to be used in constructing new animal shelters in Louisiana, and construction begins on or before June 30, 2025. The local sales and use tax exemption is effective July 1, 2021, for construction beginning between July 1, 2021, and June 30, 2025.

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

Animal Shelter—a public or private entity designated by the parish, municipality, or other local governmental authority for keeping or housing its impounded animals or a

private, not for profit entity whose mission or practice is protecting the welfare of animals and the placement of those animals in permanent homes or with animal rescue organizations.

Animal Shelter Facility—a building, structure, site, enclosure, or other facility used or operated for the housing or keeping of any stray, homeless, abandoned, or unwanted animals, including any facility designated by a parish, municipality, or other local governmental authority for the keeping or housing of any impounded animals.

Louisiana Animal Shelter Registry—the registry established and maintained by the state veterinarian for animal shelters as set forth in R.S. 3:2366.

C. Eligibility. To qualify for the sales and use tax exemption on sales of construction materials, the following conditions must be satisfied at the time of application:

1. The animal shelter is registered with the Louisiana animal shelter registry.

2. The animal shelter intends to use the purchased materials in constructing a new animal shelter facility located within this state.

3. The animal shelter and the proposed new construction must comply with the provisions of R.S. 3:2461 et seq. and R.S. 3:2471 et seq.

4. Purchases of materials for the construction of a new animal shelter facility must occur between October 1, 2021 and June 30, 2025 for the state sales tax exemption to be applicable.

a. Purchases of materials for the repair of, for an addition to, or for alterations to existing animal shelter facilities do not qualify for the exemption.

D. Limitations. The following limitations shall apply for the sales and use tax exemption on sales of construction materials.

1. The animal shelter shall not be eligible for the exemption if the animal shelter engages in the business of selling animals at retail or the business of breeding animals.

2. The animal shelter shall not be eligible for the exemption if the animal shelter is a residential dwelling or attached in any manner to a residential dwelling.

E. Application

1. All applications for the exemption shall be submitted to the secretary of the Department of Revenue on a form prescribed by the secretary.

2. Applicants shall provide appropriate documentation to the secretary, as follows:

a. proof of address and estimated costs of construction for the proposed animal shelter facility;

b. resolution, declaration, or letter from the parish, municipality, or other local governmental entity; and

c. any other documentation required by the secretary to make a determination as to whether the exemption is applicable;

d. the most recent submission to the state veterinarian required by R.S. 3:2366(E).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:305.59(B) and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 48:506 (March 2022).

Kevin J. Richard, CPA
Secretary

2203#024