

State of Louisiana
Department of Revenue

JOHN BEL EDWARDS
Governor



KEVIN J. RICHARD, CPA
Secretary

December 20, 2022

Via e-mail (return receipt requested) to:

The Honorable Stuart J. Bishop
Chairman of the House Committee on Ways and Means
P.O. Box 94062
Baton Rouge, Louisiana 70804
apa.h-wm@legis.la.gov

The Honorable R.L. "Bret" Allain, II
Chairman of the Senate Committee on Revenue & Fiscal Affairs
P.O. Box 94183
Baton Rouge, Louisiana 70804
apa.s-r&f@legis.la.gov

Re: Summary Report for Proposed Amendments to Regulation LAC 61:I.1923 - Mobile Workforce Exemption

Chairman Bishop and Chairman Allain:

On July 7, 2022, a copy of the *Notice of Intent* issued by the Department of Revenue for promulgation of proposed regulation LAC 61:I.1923 *Mobile Workforce Exemption* was sent to your committee for review. The purpose of this regulation is to implement Act 383 of the 2021 Regular Session of the Louisiana Legislature relative to the Mobile Workforce Exemption. The *Notice of Intent* was published on pages 2228 through 2232 of the August 2022 issue of the *Louisiana Register*. A public hearing was held in the LaSalle Building on Thursday, August 25, 2022. There were no attendees other than one Department attorney. One written comment was received and there were no oral comments.

Council on State Taxation

Comment: The draft regulation includes a provision requiring a nonresident employee working in Louisiana to file with their employer Form L-4E, Exemption from Withholding Louisiana Income Tax, an entirely new form asking their employer to refrain from withholding Louisiana income tax from their wages. We believe that requiring this documentation needlessly adds complexity to a statutory change (Act 383 of 2021) designed to simplify withholding requirements for short-term nonresident workers. Under the legislation, if a nonresident is undertaking work-related activity for less than 25 days in Louisiana, the nonresident is automatically brought into compliance without any additional action by employer or employee.

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The proposed filing requirement negates the simplicity of the proposal by imposing additional burdens on employers not contemplated by the statute. Employers should be allowed the flexibility to use whatever method fits within their current systems to track whether an employee has exceeded the threshold number of days in Louisiana.

Response: The Secretary agrees with this comment. The Department is amending the proposed Rule by removing the procedural element requiring nonresident employees to file Form L-4E, *Exemption from Withholding Louisiana Income Tax* with their employer for their employer to refrain from withholding Louisiana income tax from their wages. The department published a Potpourri on pages 2503 and 2504 of the November 2022 edition of the *Louisiana Register* notifying the public of a hearing on this amendment. A public hearing was held on the Potpourri on November 29, 2022. There were no attendees other than one Department attorney and no written or oral comments were received. No further changes will be made.

This report is being made in accordance with R.S. 47:968(D)(1)(b) of the Administrative Procedure Act. Unless otherwise directed, the proposed rule will be submitted for publication as a final rule in the February 2023 edition of the *Louisiana Register*. Should you have any questions or need additional information, please contact Christina Junker via email at christina.junker2@la.gov or by phone at (225) 219-7823.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. J. Richard', with a stylized flourish at the end.

Kevin J. Richard, CPA
Secretary

Cc: The Honorable Patrick Page Cortez, President of the Senate, apa.senatepresident@legis.la.gov
Office of the State Register, Reg.Submission@la.gov

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