

State of Louisiana  
Department of Revenue



JEFF LANDRY  
GOVERNOR

RICHARD NELSON  
SECRETARY

August 5, 2024

*Via E-mail/R.R.R. to:*

[apa.h-wm@legis.la.gov](mailto:apa.h-wm@legis.la.gov)

The Honorable Julie Emerson, Chairwoman  
House Committee on Ways & Means  
P.O. Box 94062  
Baton Rouge, Louisiana 70804

[apa.s-r&f@legis.la.gov](mailto:apa.s-r&f@legis.la.gov)

The Honorable Franklin Foil, Chairman  
Senate Committee on Revenue & Fiscal Affairs  
P.O. Box 94183  
Baton Rouge, Louisiana 70804

RE: **Proposed Regulation LAC 61:I.4919- Installment Agreement for Payment of Tax**

Chairwoman Emerson and Chairman Foil:

On June 20, 2024 a copy of the *Notice of Intent* issued by the Department of Revenue for promulgation of the proposed regulation, LAC 61:I.4919, *Installment Agreement for Payment of Tax*, was sent to your committee for review. The purpose of this *Notice of Intent* is to increase the minimum threshold and extend the payment period for which an informal installment agreement is authorized. The proposed amendments would increase the maximum amount a taxpayer may owe in order to enter into an informal installment agreement, as well as increase the time a taxpayer would have to repay the amount owed in an informal installment agreement.

The *Notice of Intent* was published in the June 2024 issue of the *Louisiana Register*. A public hearing was held on Tuesday, July 30, 2024. No written or oral comments were received. As well, there were no attendees present at the public hearing. No changes will be made to the text of the rule before it is finalized.

*Contributing to a better quality of life.*

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Summary Report LAC 61.I.4919  
August 5, 2024  
Page 2 of 2

This report is being made in accordance with R.S. 49:966(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 September 2024 edition of the *Louisiana Register*. Should you have any questions or need additional information, please contact me at (225) 219-3131.

Sincerely,

Luke Morris  
Assistant Secretary  
Office of Legal Affairs

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES  
RULE TITLE: Aviation Fuel Dealer Sales  
Tax Returns, Form R-1029E—Electronic  
Filing and Payment Requirement**

**NOTICE OF INTENT  
Department of Revenue  
Tax Policy and Planning Division**

**Installment Agreement for Payment of Tax  
(LAC 61.1.4919)**

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

The proposed rules require aviation fuel dealers to submit returns and payments electronically on Form R-1029E, Electronic Sale Tax Return. The proposed rules also provide for the assessment of penalties for non-compliance and the waiver of penalties as provided for in R.S. 47:1520(B).

Implementation of this proposed rule will result in \$25,200 in additional costs associated with the development and testing of the reporting schedule. Computer system acceptance of the required electronic return is already in place. Accounting for non-compliance penalties will not result in material additional costs.

**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 25 (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  
NONGOVERNMENTAL GROUPS (Summary)**

The proposed rules require aviation fuel dealers 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 October 1, 2024. 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.

Luke Morris  
Assistant Secretary  
2406#029

Alan M. Boxberger  
Legislative Fiscal Officer  
Legislative Fiscal Office

Under the authority of R.S. 47:105(B), 47:1511, and 47:1576.2 and in accordance with 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 amend LAC 61.1.4919 relative to installment agreements for the payment of tax.

R.S. 47:105(B) and 47:1576.2 authorizes the payment of taxes in installments and gives the secretary authority to promulgate rules to administer the installment program. The purpose of this regulation is to increase the maximum threshold and extend the payment period for informal installment agreements.

This Rule is written in plain language in an effort to increase transparency.

**Title 61**

**REVENUE AND TAXATION**

**Part I. Administrative and Miscellaneous Provisions**

**Chapter 49. Tax Collection**

**§4919. Installment Agreement for Payment of Tax**

**A. - C.4. ...**

**D. Forms of Installment Agreements**

1. Informal installment agreements shall be allowed only if the amount owed is less than \$50,000 and the payment period is 60 months or less.

2. Formal installment agreements shall be required if the amount owed is \$50,000 or more or the payment period exceeds 60 months. Information relative to the taxpayer's employment, bank account, credit, income statement, balance sheets, cash-flow data, and any other information shall be provided to the department upon request.

**D.3. - E.2. ...**

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 47:105 and R.S. 47:1576.2.

**HISTORICAL NOTE:** Promulgated by the Department of Revenue, Policy Services Division, LR 42:281 (February 2016), amended by the Department of Revenue, Policy Services Division, LR 47:892 (July 2021), amended by the Department of Revenue, Tax Policy and Planning Division, LR 50:

**Family Impact Statement**

The proposed adoption of this Rule might have a slight positive impact on family as defined by R.S. 49:972(D) or on family formation, stability and autonomy as the length of the installment agreement period is being extended giving families more time over which to pay their liabilities. The proposed adoption should have 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 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 John Pearce, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m. on July 29, 2024.

**Public Hearing**

A public hearing will be held on July 30, 2024 at 10 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, contact John Pearce at the address given above in the Public Comments section, by email at LDRadarequests@la.gov or at by phone at (225) 219-2784.

Richard Nelson  
Secretary

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

**RULE TITLE: Installment Agreement for Payment of Tax**

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

This proposal amends the rule to allow informal installment agreements only if the amount owed is less than \$50,000 and to extend the maximum payment period for an informal installment agreement from 36 months to 60 months. It also provides for a formal agreement if the amount owed is \$50,000 or more or the payment period exceeds 60 months. The installment agreement fee of \$105 remains unchanged as does the reinstatement fee of \$60. The fees do not apply to establish an installment agreement with a taxpayer whose adjusted gross income is less than or equal to \$25,000. The installment agreement fees cannot be paid in installments nor waived or applied against any tax debt.

Implementation of this proposal will not result in material additional costs or cost savings to the Louisiana Department of Revenue (LDR). Local governments will not be affected by this proposal.

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

The proposed rule is anticipated to have an indeterminable decrease on revenue collections of the state in the short-term. Taxpayers who owe less than \$50,000 will be able to spread liabilities over five years, instead of three, through informal installment agreements under the proposed rule. Extending the duration of informal installment agreements is anticipated to decrease revenue collections of the state annually in the first

four years of the installment plans, assuming the current LDR monthly rate of 0.97917% remains constant over the fiscal horizon. However, interest and late payment penalties will continue to accrue during the extended installment agreements which increases the taxpayer’s overall liability. State revenues are anticipated to increase in the fifth year of collections due to the interest accumulation. LDR anticipates the proposed rule may increase the number of installment agreements and decrease the rate of taxpayer defaults by providing taxpayers a longer period to spread liabilities over. To the extent the default rate improves, this would offset a portion of the decrease in collections but is not expected to entirely offset the revenue losses in the short term.

Local governmental units are not affected.

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

Affected taxpayers are anticipated to benefit by providing additional time to resolve outstanding liabilities. To the extent taxpayers elect to utilize a longer installment plan, monthly payments will decrease but overall tax liability increases as interest accumulates in time. LDR anticipates the proposed rule will effectively reduce the demand for formal installment agreements as most individual taxpayers will qualify for the informal installment agreements.

Taxpayers requesting a formal installment agreement must complete a Statement of Financial Condition and provide copies of bills. Often there are delays in establishing formal agreements because it takes the taxpayer awhile to complete the paperwork. The financial information has to be reviewed and approved by staff or appointed officials, depending on the years and the amount of debt.

Taxpayers now qualified for informal agreements are expected to experience less of an administrative burden. The taxpayers will be able to log onto LaTAP to establish the agreement without the current delays of more extensive paperwork.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)**

There is no anticipated impact on competition or employment.

Luke Morris  
Assistant Secretary  
2406#028

Alan M. Boxberger  
Legislative Fiscal Officer  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Revenue  
Tax Policy and Planning Division**

**Restaurant Oyster Shell Recycling Tax Credit  
(LAC 61:I.1933)**

Under the authority of R.S. 47:1511 and 6043, and in accordance with the provisions of the Administrative Procedures Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, proposes to adopt LAC 61:I.1933 to effectively administer R.S. 47:6043 relative to the restaurant oyster shell recycling tax credit.

Act 404 of the 2023 Regular Legislative Session (“Act 404”) enacted R.S. 47:6043, which authorizes an income tax credit for Louisiana restaurants that donate oyster shell material to the oyster shell recycling program of the Coalition to Restore Coastal Louisiana or a department-approved oyster shell recycling program. The credit authorized by Act 404 may be claimed for taxable years