

Streamlines the process and requirements for how warrants are processed for payment.

Establishes that municipalities submit all applications online through the SuMPay portal.

Specifies that notifications of any change in employment or pay status be communicated within fifteen days of the effective date of the change.

States all correspondence and or notifications to the department must be by electronic means and come from the municipality, parish, or fire protection district, not the individual recipient.

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

There is no anticipated effect on revenue collections of state or local governmental units.

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

There are no anticipated costs or economic benefits to directly affected persons, small business, or non-governmental groups. The proposed measure clarifies the process of disbursing funds to satisfy warrants approved and certified by governing authorities, and provides consistency between the administrative code and current practice.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Implementation of this proposed rule is not anticipated to have an effect on competition and employment.

Gail Holland
Deputy General Counsel
2409#005

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Revenue Tax Policy and Planning Division

Severance Tax Returns—Electronic Filing and Payment Requirements (LAC 61:III.1525)

Under the authority of R.S. 47:1511, 47:1519, 47:1520 and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, through this Notice of Intent, proposes to amend its regulations to require electronic filing by severers and purchasers of timber and minerals (other than oil and gas) who are filing severance tax returns and to require electronic payments of all severance taxes.

R.S. 47:1519(B)(1) authorizes the secretary to require payments by electronic funds transfer, and R.S. 47:1520(A)(2)-(3) grants the secretary the discretion to require electronic filing of tax returns or reports by administrative rule promulgated with legislative oversight in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. The purpose of this amendment is to require electronic filing of mineral and timber severance tax returns and to require electronic payment of all severance taxes. This rule is written in plain language in an effort to increase transparency.

Title 61

REVENUE AND TAXATION

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

§1525. Severance Tax

A. Oil and Gas

1. R.S. 47:1520(A)(1)(b) authorizes the secretary of revenue to require electronic filing of tax returns or reports by persons severing oil or gas from the soil or water from the state that are required to file reports under R.S. 47:635(A)(2) or 640(A)(2).

2. Persons required to file reports under R.S. 47:635(A)(2) and 640(A)(2) shall be required to file the tax returns or report electronically with the Department of Revenue using the electronic format prescribed by the department.

3. Form G-2, Application for Certification of Incapable Wells, and Form O-2, Application for Certification of Stripper/Incapable Wells, must be filed electronically with the Department of Revenue on or before the twenty-fifth day of the second month following the production month in which the reduced tax rate(s) is applicable. If the due date falls on a weekend or holiday, the application and electronic filing thereof is due on the next business day.

4. Effective for all taxable periods beginning on or after the January 1, 2025, all payments due on the severance of oil or gas shall be electronically transferred to the Department of Revenue on or before the twenty-fifth day of the second month following the production month.

B. Minerals (other than oil and gas) and Timber

1. Effective for all taxable periods beginning on or after the January 1, 2025, all returns and reports required by R.S. 47:635(A)(1) and 640(A)(1) shall be filed electronically with the Department of Revenue using the electronic format prescribed by the department.

2. Effective for all taxable periods beginning on or after the January 1, 2025, all payments of tax on the severance of any natural resources, other than oil or gas, shall be electronically transferred to the Department of Revenue on or before the twenty-fifth day of the second month following the production month.

3. Specific requirements relating to the procedures for making payments by electronic funds transfer are set forth in R.S. 47:1519 and LAC 61.I.4910.

C. Penalties

1. Failure to comply with these electronic filing requirements will result in the assessment of a penalty of \$100 or five percent of the tax, whichever is greater, as provided by R.S. 47:1520(B).

2. If the taxpayer can prove electronic filing of a tax return, report, or application for certification would create an undue hardship, the secretary may exempt the taxpayer from filing the return, report, or application electronically.

3. Failure to comply with the electronic funds transfer requirements shall result in the tax payment being considered delinquent and subject to penalties and interest as provided under R.S. 47:1601 through 1602.

4. In any case where the taxpayer can prove payment by electronic funds transfer would create an undue hardship, the secretary shall exempt the taxpayer from the requirement to transmit funds electronically.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511, 47:1519, 47:1520, 47:635(A)(2), 47:640(A)(1), 47:633(9)(c).

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 36:1271 (June 2010), amended LR 37:1614 (June 2011), amended by the Department of Revenue, Tax Policy and Planning Division, LR 50:

Family Impact Statement

The proposed adoption of this Rule should have no 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 has 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 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., October 28, 2024.

Public Hearing

A public hearing will be held on October 29, 2024 at 10 a.m. in the River Room, located on the Seventh 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: Severance Tax Returns—Electronic Filing and Payment Requirements

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

Implementation of this proposed rule will result in approximately \$105,500 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.

The proposed rules require severance taxpayers to file their mineral tax and timber tax returns and reports electronically. In addition, severance taxpayers are required to submit payments electronically for the severance oil, severance gas, minerals, and timber taxes. 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).

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 the Louisiana Department of Revenue ("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 \$230,300 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, \$356,467 in FY 23, and \$418,992 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 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 severance taxpayers to file their minerals tax and timber tax returns and reports electronically and remit the severance oil, gas, minerals, and timber taxes and payments by electronic funds transfer for reporting periods beginning on or after January 1, 2025. Electronic filing of the minerals tax and timber tax returns will be available directly through LDR's LaTAP portal which 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 have 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.

Richard Nelson
Secretary
2409#062

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Wildlife and Fisheries Wildlife and Fisheries Commission

Sharks and Sawfishes—Harvest Regulations (LAC 76:VII.357)

The Department of Wildlife and Fisheries and the Wildlife and Fisheries Commission does hereby give notice of intent to amend a Rule (LAC 76:VII.357) by removing the recreational daily size, bag, and possession limits of Blacktip and Bull Sharks from a minimum of 54 inches fork length to no minimum size limit for either species and from a bag and possession limit of 1 per person or 1 per vessel to no bag or possession limit for either species. Additional modifications to the rule prohibit the retention of Shortfin Mako Sharks in both the recreational and commercial fisheries and provide for an increase in the daily commercial trip limit from 45 to 55 sharks from the Large Coastal Species group while providing secretarial authority to adjust those commercial trip limits as deemed necessary.

The secretary of the Department of Wildlife and Fisheries is authorized to take any and all necessary steps on behalf of the commission to promulgate and effectuate this notice of intent, including but not limited to, the filing of the fiscal and economic impact statement, the filing of the notice of intent, and compiling public comments and submissions for the commission's review and consideration. In the absence of any further action by the commission following an opportunity to consider all public comments regarding the proposed rule, the secretary is authorized and directed to prepare and transmit a summary report to the legislative oversight committees and promulgate the final rule.

Title 76

WILDLIFE AND FISHERIES

Part VII. Fish and Other Aquatic Life

Chapter 3. Saltwater Sport and Commercial Fishery

§357. Sharks and Sawfishes – Harvest Regulations

A. - E.2. ...

F. Sharks taken under a recreational bag limit shall not be sold, purchased, exchanged, traded, bartered, or attempted to be sold, purchased, exchanged, traded, or bartered. A person subject to a bag limit shall not possess at any time, regardless of the number of trips or the duration of a trip, any shark in excess of the recreational bag limits or less than minimum size limits as follows.

1. All sharks taken under a recreational bag limit within or without Louisiana waters must be at least 54 inches fork length, except that the minimum size limit does not apply for Atlantic sharpnose, bonnethead, blacktip, or bull sharks. No sandbar or silky shark may be retained under a recreational bag limit.

2. Owners/operators of vessels other than those taking sharks in compliance with a state or federal commercial permit are restricted to no more than one shark from either the large coastal (except bull and blacktip sharks which shall have no bag limit), small coastal or pelagic group per vessel per trip within or without Louisiana waters, subject to the size limits described in LAC 76:VII.357.F.1, and, in addition, no person shall possess more than one Atlantic sharpnose shark and one bonnethead shark per person per trip within or without Louisiana waters, regardless of the length of a trip. No sandbar or silky shark may be retained by persons fishing under these limits.

F.3. - H.1. ...

2. Persons possessing a commercial state shark permit but no federal shark permit shall not possess on any trip, or land from any trip, or sell, barter, trade, or exchange in excess 55 sharks from the large coastal species group, taken from Louisiana state waters. Persons possessing a commercial state shark permit shall not possess any sandbar sharks unless they also have in their name and in possession a valid federal shark research permit under 50 CFR 635.32(1). The secretary of the department is authorized to adjust the daily possession limit of sharks from the large coastal species group as deemed necessary.

H.3. - J.6. ...

K. Prohibited Species

1. No person shall take, possess, purchase, sell, barter, exchange or attempt to possess, purchase, sell, barter, or exchange any of the following species or parts thereof:

- a. basking shark—*Cetorhinus maximus*;
- b. white shark—*Carcharodon carcharias*;
- c. bigeye sand tiger—*Odontaspis noronhai*;
- d. sand tiger—*Odontaspis taurus*;
- e. whale shark—*Rhincodon typus*;
- f. smalltooth sawfish—*Pristis pectinata*;
- g. largetooth sawfish—*Pristis pristis*;
- h. Atlantic angel shark—*Squatina dumerili*;
- i. Caribbean sharpnose shark—*Rhizoprionodon porosus*;
- j. smalltail shark—*Carcharhinus porosus*;
- k. bignose shark—*Carcharhinus altimus*;
- l. Caribbean reef shark—*Carcharhinus perezi*;
- m. dusky shark—*Carcharhinus obscurus*;
- n. Galapagos shark—*Carcharhinus galapagensis*;
- o. narrowtooth shark—*Carcharhinus brachyurus*;
- p. night shark—*Carcharhinus signatus*;
- q. bigeye sixgill shark—*Hexanchus vitulus*;
- r. bigeye thresher shark—*Alopias superciliosus*;
- s. longfin mako shark—*Isurus paucus*;
- t. shortfin mako shark—*Isurus oxyrinchus*;
- u. sevengill shark—*Heptranchias perlo*;
- v. sixgill shark—*Hexanchus griseus*.

K.2. - O. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 56:6(10), R.S. 56:326(E)(2), R.S. 56:326.1, R.S. 56:326.3, R.S. 56:320.2(C), and R.S. 325.2(A).