

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

**RULE TITLE: Donation to Qualified Foster Care  
Charitable Organization Credit and  
Certain Adoptions Deductions**

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

The purpose of this rule is to implement Act 378 of the 2021 Regular Legislative Session, which provides for 1) a non-refundable income tax credit for the amount of a donation up to \$50,000 per taxpayer to a Qualifying Foster Care Charitable Organization ("QFCCO"). The state-wide credit is limited to \$500,000 annually, and 2) a one-time individual income tax deduction of \$5,000 per child (net of the \$1,000 dependent deduction) for taxpayers who adopt a child from foster care or privately if the unrelated adopted child is under 1 year of age.

Louisiana Department of Revenue ("LDR") anticipates one-time costs of \$83,360 for computer system development and modification, tax form redesign, and testing. Minimal ongoing administrative costs would also be incurred to monitor and maintain the \$500,000/year cap on donations to foster care charitable organizations. All of these expenses will be absorbed in the agency's budget.

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

The proposed rule will result in a decrease to the SGF of approximately \$658,000 annually in fiscal years 2023 - 2026. The amount of exposure for the income tax credit allowed for donations to qualifying foster care charitable organizations is indeterminable at the commencing of the program. However, the maximum exposure would be \$500,000 per year, the amount of the annual cap on the credits provided for in the Act.

The personal income tax deduction for the adoption of foster children results in an estimated SGF exposure of \$158,000 annually. The revenue impact of the income tax deduction for parents who adopt certain children through a private agency or attorney is indeterminable since DCFS does not collect data on private adoptions. Thus, the state fiscal exposure to the adoption deductions could be materially greater than stated above.

There is no anticipated direct material effect on local governmental revenues as a result of this rule.

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

The proposed rule may reduce the tax liability of qualifying individual income tax filers who are adopting a child or youth from foster care as provided in LA R.S. 47:297.20, or adopting an infant by private adoption as provided in LA R.S. 47:297.21. The proposed rule may also incentivize financial assistance to QFCCOs who provide qualified services to children in foster care placement programs established by the Department of Children and Family Services ("DCFS") as provided by LA R.S. 47:6042. Due to the availability of the tax credit, these organizations may experience an increase in donations to be used to provide services to a child in a foster care placement program with DCFS, while taxpayers donating to QFCCOs may be eligible for a reduced tax liability, subject to the statewide maximum of \$500,000.

In order to claim the qualifying deduction for individual income tax for adopting a child under certain circumstances, or claim an income tax credit for donations made to QFCCOs, taxpayers must attach a copy of supporting documents to support eligibility for the credit or deduction. Additional costs for completion and submission of the required paperwork of this proposed rule are expected to be minimal.

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

No material impact on competition or employment is anticipated due to this proposed rule change.

Kevin J. Richard, CPA  
Secretary  
2208#051

Alan M. Boxberger  
Interim Legislative Fiscal Officer  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Revenue  
Policy Services Division**

**Mandatory Electronic Filing and Payment  
of Tobacco Tax by Vapor Dealers  
(LAC 61.III.1533 and 1534)**

Under the authority of R.S. 13:5077, 47:1511, 47:1519, and 47:1520, and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, gives notice that rulemaking procedures have been initiated to amend LAC 61.III.1533 and 1534, to mandate electronic filing and payment by retail dealers of vapor products.

R.S. 47:1519(B)(1) authorizes the secretary to require payments by electronic funds transfer, and R.S. 47:1520(A)(2) authorizes 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 regulation is to mandate electronic filing of tobacco tax returns and reports by retail dealers of vapor products and electronic payment of all tobacco tax by retail dealers of vapor products.

**Title 61**

**REVENUE AND TAXATION**

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

**§1533. Tobacco Tax—Electronic Filing Requirements**

A.1. For tax periods beginning on or after October 1, 2019, every dealer that files a Louisiana Tobacco Tax Return shall be required to file the return and all reports electronically with the Department of Revenue using the electronic format prescribed by the department.

2. For tax periods beginning on or after January 1, 2023, every retail dealer of vapor products that files a Louisiana Tobacco Tax Return for Retail Dealers of Vapor Products shall be required to file the return and all reports electronically with the Department of Revenue using the electronic format prescribed by the department.

B. - C.2. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 13:5077, 47:1511, and 47:1520.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 45:932 (July 2019), amended LR 48:

**§1534. Tobacco Tax - Electronic Payment Required**

A. R.S. 47:1519(B)(1) allows the secretary to require payment of tobacco tax by electronic funds transfer.

B.1. Effective for all taxable periods beginning on or after October 1, 2019, all payments by a tobacco dealer shall

be electronically transferred to the Department of Revenue on or before the twentieth day following the close of the reporting period using the electronic format provided by the department.

2. Effective for all taxable periods beginning on or after January 1, 2023, all payments by a retail dealer of vapor products shall be electronically transferred to the Department of Revenue on or before the twentieth day following the close of the reporting period using the electronic format provided by the department.

C. - G. ...

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 47:1511 and 47:1519.

**HISTORICAL NOTE:** Promulgated by the Department of Revenue, Policy Services Division, LR 45:932 (July 2019), amended LR 48:

#### **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. 49:974.5.

#### **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 Brandea Averett, Attorney, Policy Services Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m., September 26, 2022.

#### **Public Hearing**

A public hearing will be held on September 27, 2022 at 9 a.m. in the River Room, located on the 7th floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana.

Kevin J. Richard, CPA  
Secretary

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

### **RULE TITLE: Mandatory Electronic Filing and Payment of Tobacco Tax by Vapor Dealers**

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

The proposed rule will not result in implementation costs or savings to state or local governmental units. The proposed rule amends the rule requiring electronic filing and payment of tobacco tax returns to include retail dealers of vapor products who are required to file tobacco returns.

Implementation of the proposed rule will not result in material additional costs or cost savings to governmental units. LDR is implementing electronic filing of these returns and reports through LDR's LaTAP as an ongoing enhancement of its collection efforts. II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule will have no direct impact on annual state or local revenue collections.

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

LDR does not have the information necessary to determine the additional costs to comply with this change, but these costs are expected to be minimal, as online access and activity has largely become a business standard.

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

This proposed rule should not affect competition or employment.

Kevin J. Richard, CPA  
Secretary  
2208#053

Alan M. Boxberger  
Interim Legislative Fiscal Officer  
Legislative Fiscal Office

### **NOTICE OF INTENT**

#### **Department of Revenue Policy Services Division**

#### **Manufacturer's Net Invoiced Price (LAC 61.I.5103)**

Under the authority of R.S. 47:841(D) and 1511, and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to adopt LAC 61.I.5103 relative to the determination of manufacturer's net invoiced price.

The purpose of this regulation is to provide definitions relative to the calculation of manufacturer's net invoiced price and provide guidance regarding the inclusion and exclusion of certain items such as, trade discounts, cash discounts, federal excise tax, and shipping charges routinely reflected on invoices issued to tobacco dealers.

#### **Title 61**

#### **REVENUE AND TAXATION**

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

#### **Chapter 51. Tobacco Tax**

#### **§5103. Manufacturer's Net Invoiced Price**

##### **A. Definitions**

*Cash Discounts*—reduction to the total invoiced amount based upon a payment method or timing of payment such as