

NOTICE OF INTENT

Department of Revenue Policy Services Division

Validation and Notice of Local Taxing Authority Sales and Use Tax Exemptions and Exclusions (LAC 61:III.4425)

Under the authority of and in accordance with R.S. 47:337.2 and the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, through this Notice of Intent, proposes to adopt a rule requiring local taxing authorities to validate optional sales and use tax exemptions and exclusions adopted by such authorities and to provide notice of future changes to such exemptions and exclusions.

Title 61

REVENUE AND TAXATION

Part III. Administrative and Miscellaneous Provisions

Chapter 44. Sales and Use Tax Exemptions

§4425. Validation and Notice of Local Taxing Authority Sales and Use Tax Exemptions and Exclusions

A. Introduction and Purpose

1. Louisiana Revised Statute 47:337.2 authorizes the promotion of uniformity and simplicity in sales and use tax compliance in Louisiana. In order to effectively administer the collection of sales and use taxes, taxpayers and collectors must be informed of all sales and use tax exemptions and exclusions to be applied on the local level.

B. Definitions

Advisory Committee—the Uniform Electronic Local Return and Remittance Advisory Committee.

Local taxing authority(ies)—those parishes, municipalities, special taxing districts, political subdivisions, parish governing bodies, and school boards who are authorized under the provisions of the Constitution of Louisiana, the Louisiana Revised Statutes of 1950 and jurisprudence to levy and collect local sales and use taxes.

Secretary—the Secretary of the Louisiana Department of Revenue.

C. Applicability

1. This rule applies to all local taxing authorities.

D. Validated listing of current local sales and use tax exemptions and exclusions

1. By January 1, 2020 all local taxing authorities shall provide the advisory committee with a listing of optional sales and use tax exemptions and exclusions adopted by local ordinance pursuant to state law. The listing shall include:

a. a clear and simple title and description of each optional exemption and exclusion;

b. reference to the local ordinance, statute, rule and authority related to each optional exemption or exclusion; and

c. any applicable time frames such as when the optional exemption or exclusion expires.

E. Notification method

1. All local taxing authorities shall provide notice of all optional sales and use tax exemptions or exclusions by providing written notification to the advisory committee and secretary by certified mail, return receipt requested, and regular mail.

2. In the event the local taxing authority does not provide notice in the manner prescribed in subsections D and E of this section, the advisory committee shall design and implement the tax collection system from the best information available to them.

F. Changes in local sales and use tax exemptions and exclusions

a. All local taxing authorities enacting changes to optional sales and use tax exemptions and exclusions as originally reported in subsections D and E of this section must provide notification of such changes in the form of a revised list of applicable sales and use tax exemptions at least 60 days before the effective date of any such change(s).

b. This notification of the changes made to the listing of exemptions and exclusions must be made using the method provided in paragraph E.1 of this section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:337.23(C).

HISTORICAL NOTE: Promulgated by Promulgated by the Department of Revenue, Policy Services Division, LR 45:

Family Impact Statement

This Family Impact Statement is provided as required by Act 1183 of the 1999 Regular Session of the Louisiana Legislature.

1. Implementation of this proposed Rule will have no effect on the stability of the family.
2. Implementation of this proposed Rule will have no effect on the authority and rights of parents regarding the education and supervision of their children.
3. Implementation of this proposed Rule will have no effect on the functioning of the family.
4. Implementation of this proposed Rule will have no effect on the behavior and personal responsibility of children.
5. Implementation of this proposed Rule will have no effect on the ability of the family or a local government to perform this function.

Poverty Impact Statement

The proposed Rule will have no known impact on poverty as described in R.S. 49:973.

Small Business Analysis

It is anticipated that these proposed amendments should not have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting these proposed amendments to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed regulation will have 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

Interested persons may submit written data, views, arguments, or comments regarding this proposed rule to Stacey Greaud, Attorney, Policy Services Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804. All comments must be received no later than 4 p.m. on September 20, 2019.

Public Hearing

A public hearing will be held on September 25, 2019 at 10:30 a.m. in the River Room on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Kimberly Lewis Robinson
Secretary, Department of Revenue

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Kimberly Lewis Robinson
Secretary, Department of Revenue

**Fiscal and Economic Impact Statement
For Administrative Rules**

Person preparing statement:	<u>Erica Spears</u>	Department:	<u>Revenue</u>
Phone:	<u>(225) 219-3580</u>	Office:	<u>Policy Services Division</u>
Return Address:	<u>617 North Third Street</u>	Rule Title:	<u>LAC 61:III.4425</u>
	<u>Baton Rouge, LA 70802</u>	Date Rule Takes Effect:	<u>November 20, 2019</u>

Summary

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. The following summary statements, based on the attached worksheets, will be published in the *Louisiana Register* with the proposed agency rule.

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

The purpose of this rule is to require local taxing authorities to validate optional sales and use tax exemptions and exclusions adopted by such authorities and to provide written notice of future changes to such exemptions and exclusions to the Uniform Electronic Local Return and Remittance Advisory Committee. Louisiana Revised Statute 47:337.2 was enacted to benefit both taxpayers and local tax collectors by promoting uniformity to the extent possible in the assessment, collection, administration, and enforcement of the sales and use taxes imposed by taxing authorities and, by compiling them, making them readily available in one place in the revised statutes. The section of law affected by this rule is applicable to local sales tax law and should not affect state sales and use tax practices. The Department of Revenue does not anticipate any implementation costs or savings as a result of this proposed rule. Local taxing authorities will incur some, likely minor, costs associated with compiling, updating, and transmitting the lists of optional sales and use tax exemptions and exclusions to the Advisory Committee.

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

There is no anticipated direct material effect on state or local revenues as a result of this measure.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

There are no estimated costs to the taxpayers responsible for paying the local sales and use tax imposed by the local taxing authorities. Taxpayers affected by the proposed rule may benefit by an indeterminable amount because of receiving accurate information pertaining to all applicable sales and use tax exemptions and exclusions applied on the local level.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)


No effect on competition or employment is anticipated by this proposal.



Signature of Agency Head or Designee
Kimberly Robinson, Secretary

Typed Name and Title of Agency Head or Designee
8/8/19

Date of Signature



Legislative Fiscal Officer Designee
Greg Albrecht, Chief Economist

Typed Name of Legislative Fiscal Officer Designee
8/8/2019

Date of Signature