

State of Louisiana  
Department of Revenue

JOHN BEL EDWARDS  
Governor



KIMBERLY J. LEWIS  
Secretary

October 5, 2021

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

**Re: Proposed Amended Regulation LAC 61:III.1535-1536 – Mandatory Electronic Filing of Consumable Hemp Products Tax and Payment of Taxes**

Chairman Bishop and Chairman Allain:

On August 10, 2021, a copy of the *Notice of Intent* issued by the Department of Revenue ("Department") for promulgation of proposed amendments to regulation LAC 61:III.1535-1536 – *Mandatory Electronic Filing of Consumable Hemp Products Tax and Payment of Taxes* was sent to your committee for review. Act 336 of the 2021 Regular Session ("Act 336") expanded the application of the industrial hemp-derived CBD tax and changed the name of the tax to Consumable Hemp Product Tax. The purpose of the *Notice of Intent* is to update the electronic filing and payment requirement to reflect the changes made by Act 336.

The *Notice of Intent* was published in the August 2021 issue of the *Louisiana Register*. A public hearing was held in the LaSalle Building on Wednesday, September 22, 2021. No written or oral comments were received. No changes will be made to the text of the amended rule before it is finalized except to correct the typographical error in LAC 61.III.1535(A)(1) noted on the attached that appeared in the published version of the *Notice of Intent*.

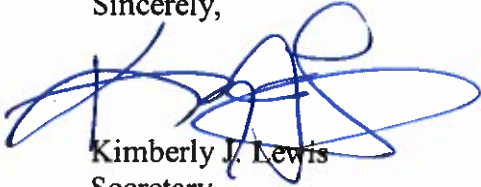
This report is being made in accordance with R.S. 47:968(D)(1)(b) of the Administrative Procedure Act. Unless otherwise directed, the proposed amendment will be submitted for publication as a final rule in the November 2021 edition of the *Louisiana Register*.

*Contributing to a better quality of life.*

617 North Third Street, Post Office Box 44098, Baton Rouge, Louisiana 70804-4098  
Telephone (225) 219-2780 • Fax (225) 219-2759  
[www.revenue.louisiana.gov](http://www.revenue.louisiana.gov)

Should you have any questions or need additional information, please contact me at (225) 219-2700.

Sincerely,



Kimberly J. Lewis  
Secretary

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

file consolidated tax returns to submit returns and payments electronically. The proposed rules also provide for the assessment and waiver of penalties for non-compliance.

Implementation of the proposed rules will result in \$30,000 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 and state general fund collections from penalties by an indeterminable amount beginning FY 2022. Beginning July 1, 2022, penalties and fees, except compensatory fees, levied by the Department will accrue to the state general fund per R.S. 47:1608, rather than to self-generated revenue for the department.

A modest and temporary increase in revenue from penalties may occur as the proposed rules are implemented, although the department cannot predict non-compliant behavior. For returns that are currently required to be filed electronically, the department has collected the following amounts in penalties: \$7,000 in FY 2017, \$1,000 in FY 2018, \$6,000 in FY 2019, and \$45,000 in FY 2020. 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.

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

The department 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. Online access and activity by businesses have become standard practice. To the extent non-compliance penalties are collected, affected taxpayers will incur penalty costs. The department cannot estimate the additional penalty amount as it is dependent upon taxpayer violations and liabilities.

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

The proposed rules are not anticipated to affect competition or employment.

Kimberly J. Lewis  
Secretary  
108#042

Alan M. Boxberger  
Staff Director  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Revenue  
Policy Services Division**

**Mandatory Electronic Filing of Consumable Hemp Products  
Tax Returns and Payment of Tax  
(LAC 61.III.1535 and 1536)**

Under the authority of R.S. 47:1511, 47:1519, 47:1520, and 47:1695, 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.1535 and 1536, regarding mandatory electronic filing and payment requirements for the Industrial Hemp-Derived CBD Tax Return. Act 336 of the 2021 Regular Session ("Act 336") changed the name of the tax to Consumable Hemp Products Tax and expanded its applicability.

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 amendment is to revise the terminology in the regulation consistent with the changes to the tax statutes made by Act 336.

**Title 61**

**REVENUE AND TAXATION**

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

**§1535. Industrial Hemp-Derived CBD and Consumable  
Hemp Products Tax Return—Electronic Filing  
Requirements**

A.1. For tax periods beginning on or after January 1, 2020 and before August 1, 2021, every industrial hemp-derived CBD retailer shall be required to file the Industrial Hemp-Derived CBD Tax return electronically with the Department of Revenue using the electronic format prescribed by the department.

2. For tax periods beginning on or after August 1, 2021, every consumable hemp products retailer shall be required to file the Consumable Hemp Products Tax return 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. 47:1511, and 47:1520.

**HISTORICAL NOTE:** Promulgated by the Department of Revenue, Policy Services Division, LR 45:1810 (December 2019), amended by the Department of Revenue, Policy Services Division, LR 47:

**§1536. Industrial Hemp-Derived CBD and Consumable  
Hemp Products Tax—Electronic Payment  
Required**

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

B.1. Effective for all taxable periods beginning on or after January 1, 2020 and before August 1, 2021, all payments by an industrial hemp-derived CBD retailer 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 August 1, 2021, all payments by a consumable hemp products retailer 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, 47:1519, 47:1520 and 47:1695.

**HISTORICAL NOTE:** Promulgated by the Department of Revenue, Policy Services Division, LR 45:1810 (December 2019), amended by the Department of Revenue, Policy Services Division, LR 47:

**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 Impact Analysis

The proposed rule has no known measurable impact on small businesses as described in R.S. 49:965.6.

#### 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 21, 2021.

#### Public Hearing

A public hearing will be held on September 22, 2021 at 8:30 a.m. in the LaBelle Room, located on the 1st floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana.

Kimberly J. Lewis  
Secretary of Revenue

### FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

#### RULE TITLE: Mandatory Electronic Filing of Consumable Hemp Products Tax Returns and Payment of Tax

#### 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 electronic filing and payment mandate for industrial hemp-derived CBD to update the name of the tax to Consumable Hemp Products for periods beginning on or after August 1, 2021, as a result of Act 336 of the 2021 Regular Session.

#### 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. The proposed rule updates the name of the tax to comply with recent legislative action as provided in Act 336 of the 2021 Regular Session.

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

The proposed rule will have a slight economic impact on the affected taxpayer by clarifying the proper name of the tax return and payments required to be filed electronically as a result of Act 336 of the 2021 Regular Session.

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

The proposed rule will have no impact upon competition and employment in the state.

Kimberly J. Lewis  
Secretary  
2108#040

Gregory V. Albrecht  
Chief Economist  
Legislative Fiscal Office

### NOTICE OF INTENT

#### Workforce Commission Office of Workers' Compensation

#### Medical Treatment Guidelines (LAC 40:I.2201-2227)

The Louisiana Workforce Commission does hereby give notice of its intent to amend certain portions of the Medical Guidelines contained in the Louisiana Administrative Code, Title 40, Labor and Employment, Part I, Workers' Compensation Administration, Subpart 2, Medical Guidelines, Chapter 22 regarding Neurological and Neuromuscular Disorder. The purpose of this amendment is to update the medical treatment guidelines in accordance to a reoccurring maintenance schedule and add consistency throughout the guidelines. This Rule is promulgated by the authority vested in the director of the Office of Workers' Compensation found in R.S. 23:1291 and R.S. 23:1310.1(C).

#### Title 40

#### LABOR AND EMPLOYMENT

#### Part I. Workers' Compensation Administration

#### Subpart 2. Medical Guidelines

#### Chapter 22. Neurological and Neuromuscular

#### Disorder Medical Treatment Guidelines

#### Subchapter A. Carpal Tunnel Syndrome (CTS) Medical Treatment Guidelines

Editor's Note: Repealed.

#### §2201. Introduction

A. This document has been prepared by the Louisiana Workforce Commission, Office of Workers' Compensation (OWCA) and should be interpreted within the context of guidelines for physicians/providers treating individuals qualifying under Louisiana's Workers' Compensation Act as injured workers with CTS. Although the primary purpose of this document is advisory and educational, these guidelines are enforceable under the Louisiana Workers' Compensation Act. All medical care, services, and treatment owed by the employer to the employee in accordance with the Louisiana Workers' Compensation Act shall mean care, services, and treatment in accordance with these guidelines. Medical care, services, and treatment that varies from these guidelines shall also be due by the employer when it is evident that a variance from these guidelines is reasonably required to cure or relieve the injured worker from the effects of the injury or occupational disease given the circumstances. Therefore, these guidelines are not relevant as evidence of a provider's legal standard of professional care. To properly utilize the