

NOTICE OF INTENT

Department of Revenue Policy Services Division

Individual and Fiduciary Income Tax Filing Extensions (LAC 61:III.2501 and 2507)

Under the authority of R.S. 47:103(D), 1511, 1514, and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to amend LAC 61:III.2501 to repeal the mandate requiring the electronic filing of a request for an extension to file an individual income tax return and proposes to enact LAC 61:III.2507 to require the electronic filing of a request for an extension to file a fiduciary income tax return.

Title 61

REVENUE AND TAXATION

Part III. Administrative Provisions and Miscellaneous

Chapter 25. Returns

§2501. Individual Income Tax Filing Extensions

~~A. Louisiana Revised Statute Title 47, Section 103(D) provides that~~ Pursuant to R.S. 47:103(D), the secretary may grant a reasonable extension of time to file a state ~~individual~~ income tax return, not to exceed six months from the date the return is due.

1. To obtain a filing extension, the taxpayer must make the request on or before the tax return's due date.

2. A taxpayer ~~must~~ may request a state filing extension by submitting ~~an electronic application~~ one of the following:

- a. a paper Louisiana Department of Revenue form requesting a filing extension;
- b. a paper copy of the taxpayer's Internal Revenue Service form requesting an extension to file a federal income tax return for the same taxable period; or
- c. an electronic application.

3. An electronic application may be submitted ~~via~~ by:

- a. the Department of Revenue's web site ~~at~~ www.revenue.louisiana.gov/extensions;
- b. tax preparation software; or
- c. any other electronic method authorized by the secretary.

B. Filing Extension Does Not Extend Time to Pay Tax

1. A filing extension granted by the secretary only allows for an extension of time to file the tax return. The extension does not allow an extension of time to pay the tax due.

2. To avoid interest and penalty assessments, estimated taxes due must be paid on or before the original due date.

~~C. The secretary may waive the electronic filing of an extension if it is determined that complying with the requirement would cause an undue hardship.~~ A tax preparer subject to the electronic filing mandate under LAC 61:III.1501.B must file an electronic application for a state filing extension for individual income taxes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:103(D) and 1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 35:1137 (June 2009), amended LR 36:73 (January 2010), LR 39:103 (January 2013), amended LR 45:

§2507. Fiduciary Income Tax Filing Extensions

A. Pursuant to R.S. 47:103(D), the secretary may grant a reasonable extension of time to file a state income tax return, not to exceed six months from the date the return is due.

1. To obtain a filing extension for filing a fiduciary return, estates and trusts must make the request on or before the due date of the tax return.

2. For taxable periods beginning on or after January 1, 2019, an estate or trust must request a state filing extension by submitting an electronic application.

3. An electronic application may be submitted via:

- a. the Department of Revenue's web site;
- b. tax preparation software; or
- c. any other electronic method authorized by the secretary.

B. Filing extension does not extend time to pay tax.

1. A filing extension granted by the secretary only allows for an extension of time to file the tax return. The extension does not allow an extension of time to pay the tax due.

2. To avoid interest and penalty assessments, income taxes due must be prepaid on or before the original due date.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:103(D) and 1511.

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

Family Impact Statement

The proposed amendment of LAC 61:III.2501 regarding individual income tax filing extensions and the proposed enactment of LAC 61:III.2507 regarding fiduciary income tax filing extensions should not have any 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 the proposed amendment of LAC 61:III.2501 and the proposed enactment of LAC 61:III.2507 will have 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 Statement

The proposed amendment of LAC 61:III.2501 and the proposed enactment of LAC 61:III.2507 will have no impact on poverty as described in R.S. 49:973.

Small Business Statement

It is anticipated that the proposed amendment of LAC 61:III.2501 and the proposed enactment of LAC 61:III.2507 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 the proposed amendment of LAC 61:III.2501 and the proposed enactment of LAC 61:III.2507 to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed amendment of LAC 61:III.2501 and the proposed enactment of LAC 61:III.2507 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

Any interested person may submit written data, views, arguments, or comments regarding this proposed amendment of LAC 61:III.2501 and this proposed enactment of LAC 61:III.2507 to Danielle B. Clapinski, Attorney, Policy Services Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be received no later than 4:30 p.m. on October 25, 2019.

Public Hearing

A public hearing will be held on October 28, 2019, at 10:00 a.m. in the LaBelle Room, on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Kimberly Lewis Robinson
Secretary, Department of Revenue

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§2501. Individual Income Tax Filing Extensions

A. Pursuant to R.S. 47:103(D), the secretary may grant a reasonable extension of time to file a state income tax return, not to exceed six months from the date the return is due.

1. To obtain a filing extension, the taxpayer must make the request on or before the tax return's due date.

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1. A filing extension granted by the secretary only allows for an extension of time to file the tax return. The extension does not allow an extension of time to pay the tax due.

2. To avoid interest and penalty assessments, estimated taxes due must be paid on or before the original due date.

C. A tax preparer subject to the electronic filing mandate under LAC 61:III.1501.B must file an electronic application for a state filing extension for individual income taxes.

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§2507. Fiduciary Income Tax Filing Extensions

A. Pursuant to R.S. 47:103(D), the secretary may grant a reasonable extension of time to file a state income tax return, not to exceed six months from the date the return is due.

1. To obtain a filing extension for filing a fiduciary return, estates and trusts must make the request on or before the due date of the tax return.

2. For taxable periods beginning on or after January 1, 2019, an estate or trust must request a state filing extension by submitting an electronic application.

3. An electronic application may be submitted via:

- a. the Department of Revenue's web site;
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1. A filing extension granted by the secretary only allows for an extension of time to file the tax return. The extension does not allow an extension of time to pay the tax due.

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Poverty Statement

The proposed amendment of LAC 61:III.2501 and the proposed enactment of LAC 61:III.2507 will have no impact on poverty as described in R.S. 49:973.

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It is anticipated that the proposed amendment of LAC 61:III.2501 and the proposed enactment of LAC 61:III.2507 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 the proposed amendment of LAC 61:III.2501 and the proposed enactment of LAC 61:III.2507 to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

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Kimberly Lewis Robinson
Secretary, Department of Revenue

Fiscal and Economic Impact Statement For Administrative Rules

Person preparing
statement:
Phone:
Return Address:

Deborah Moon
(225) 219-2759
617 North Third Street
Baton Rouge, LA 70802

Department: Revenue
Office: Policy Services Division
Rule Title: LAC61:111.2501 and 2507
Date Rule
Takes Effect: December 20, 2019

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 proposed rule is to amend LAC 61.III.2501 to repeal the mandate requiring the electronic filing of a request for an extension to file an individual income tax return except for certain tax preparers, who will still be subject to the electronic filing mandate in LAC 61:III.1501(B). Proposed rule also enacts LAC 61.III.2507, to require the electronic filing of a request for an extension to file a fiduciary income tax return.

Minor implementation costs to LDR are anticipated for computer system modification and testing to accommodate electronic filing of fiduciary income tax filing extensions, and to respond to taxpayer inquiries. Since paper filing of the extension is currently allowed, anticipated costs of processing any additional paper requests are relatively small and will be absorbed in LDR's current appropriations.

Since paper extensions are currently being accepted for individual income tax, there is no cost to LDR for removing the electronic filing mandate.

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

The proposed amendment to this rule will have no effect on the revenue collections of state or local governmental units.

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

Currently, individuals are mandated to file the extension request electronically, but an exception is made for filing paper copies of the federal extension form. As the proposed rule merely increases the available options for requesting these extensions, no additional cost to individuals wanting to file on paper is anticipated.

LDR does not have the information necessary to determine the additional costs to comply with the mandated electronic filing of fiduciary returns, 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 proposal is not expected to have any significant effect on competition and employment.



Signature of Agency Head or Designee
Kimberly Robinson, Secretary

Typed Name and Title of Agency Head or Designee

9/6/19

Date of Signature



Legislative Fiscal Officer Designee
Greg Albrecht, Chief Economist

Typed Name of Legislative Fiscal Officer Designee

9/9/2019

Date of Signature