NOTICE OF INTENT

Department of Revenue
Tax Policy and Planning Division

Louisiana Fortified Roof Tax Credit Program and Construction Code Retrofitting Deduction (LAC 61:I.1935 and 1937)

Under the authority of R.S. 47:293(2)(d), 1511, and 6044, and in accordance with the provisions of the Administrative Procedures Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division proposes to amend LAC 61:I.1935 and 1937 to update the fortified roof installation requirements.

The purpose of the proposed Rule is to notify taxpayers of a change in procedure for taxable periods beginning with the 2025 tax year. The proposed Rule repeals the requirement that applicants submit a preliminary fortified home evaluation for purposes of the Louisiana Fortified Roof Tax Credit and the Construction Code Retrofitting Deduction.

This proposed Rule is written utilizing plain language principles to ensure clarity and accessibility for all users. It has also been reviewed and tested for compliance with web accessibility standards.

Title 61
REVENUE AND TAXATION
Part I. Taxes Collected and Administered by the Secretary of Revenue
Chapter 19. Miscellaneous Tax Exemptions, Credits and Deductions

§1935. Louisiana Fortified Roof Tax Credit Program

A. - D. …

1. - 2. Repealed.

3. The taxpayer must contract with an LFRTCP-approved contractor to fortify the home. Once the LFRTCP-approved contractor completes the fortification work on the home, the contractor must provide the taxpayer with a copy of the signed contract, a final invoice, and a completed Form R-90157-B, LFRTCP Qualifying Expenses.

4. After meeting the requirements of Paragraph (1) of this Subsection, a certified home evaluator will perform all required evaluations to confirm that the LFRTCP-approved contractor completed the fortification work according to the IBHS FORTIFIED roof standard. Thereafter, the IBHS shall review the evaluation and determine whether to issue a FORTIFIED designation.

E. - E.1. ...

a. Repealed.

E.1.b. - G.2.b. …

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and 47:6044.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Policy and Planning Division, LR 51:2110 (December 2025), amended by the Department of Revenue, Tax Policy and Planning Division, LR 52:

§1937. Construction Code Retrofitting Deduction

A. - C.2.a. …

b. Repealed.

c. - e. …

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:293(2)(a)(i) and 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Policy and Planning Division, LR 51:2111 (December 2025), amended by the Department of Revenue, Tax Policy and Planning Division, LR 52:

Family Impact Statement

The proposed Rule 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 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 Impact Statement

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

Small Business Analysis

The proposed Rule is not expected to 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 this proposed Rule to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed Rule 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 these proposed amendments to Morgan Newton, Attorney, Tax Policy and Planning Division via email to morgan.newton@la.gov. All comments must be received no later than 4 p.m., Monday, August 10, 2026.

Public Hearing

Interested persons may submit a written request for a public hearing no later than August 10, 2026, at 4:30 p.m. Requests may be submitted via email to morgan.newton@la.gov and reference Louisiana Fortified Roof Tax Credit Comments. Pursuant to R.S. 49:961(B)(1), a public hearing will be held only if the statutory requirements are satisfied. If those requirements are met, the hearing will take place on Thursday, August 27, 2026, at 10:30 a.m. in the River Room, located on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802, to receive oral and written comments from interested persons. If the requirements have been met and a public hearing will be held, notice of the hearing will be posted under the respective rule topic on the Department's website at https://revenue.louisiana.gov/tax-policy/rules-regulations, under "Types," then

"Nonemergency Rulemaking." A posted notice confirms that the statutory hearing requirements have been met and that the hearing will be held. If no notice appears, a public hearing will not be conducted.

In accordance with the Americans with Disabilities Act, should individuals with a disability need an accommodation in order to participate, contact Morgan Newton by email at LDRadarequests@la.gov.

Jarrod J. Coniglio
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES
RULE TITLE: Louisiana Fortified Roof Tax Credit Program and Construction Code Retrofitting Deduction

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

The proposed amendment is not anticipated to result in material costs or cost savings to the Department of Revenue (LDR) or to other state or local governmental units.

The proposed amendment to LAC 61: I.1935 Louisiana Fortified Roof Tax Credit and LAC 61: I.1937 Construction Code Retrofitting Deduction repeals the preliminary evaluation report requirement. Previously, homeowners had to obtain and submit initial fortified home assessments before qualifying for these incentives. The amendment only removes preliminary evaluation requirements. All other eligibility, documentation, and installation standards remain the same, including a final IBHS certification confirming that the roof was installed in compliance with the IBHS FORTIFIED Roof standards.

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

To the extent that no longer requiring a preliminary fortified home evaluation report increases utilization in the program, the proposed rule amendment may result in an indeterminable decrease in SGF revenue collections. However, there is no basis for estimating the potential increase in program participation due to the reduction in documentation requirements and associated costs for the preliminary evaluation reports. While the proposed amendment removes the documentation requirement, it does not change the statutory credit or deduction amounts.

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

The proposed rule is expected to provide a modest benefit to taxpayers seeking the Louisiana Fortified Roof Tax Credit or the Construction Code Retroffiting Deduction by reducing the compliance costs and administrative burden, as the amendment eliminates the requirement to obtain a preliminary fortified home evaluation report. Businesses and independent contractors that provide preliminary evaluation reports may expect a decrease in demand for their services. However, the department does not have sufficient data to estimate the economic impact of cost savings to the taxpayers from this action.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

Brandea Averett	Alan M. Boxberger
Deputy Secretary	Legislative Fiscal Officer
2607#009	Legislative Fiscal Office

NOTICE OF INTENT

Department of Revenue
Tax Policy and Planning Division

Payment of Sales and Use Taxes by Persons Constructing, Renovating, or Altering Immovable Property
(LAC 61:I.4372)

Under the authority of R.S. 47:1511, and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, gives notice that rulemaking procedures have been initiated to amend LAC 61.I.4372, Payment of Sales and Use Taxes by Persons Constructing, Renovating, or Altering Immovable Property. This proposed Rule is written in plain language in an effort to increase transparency.

The purpose of the amendments is to provide additional clarification regarding when immovable property contractors are required to collect and remit sales and use tax when constructing, renovating, or altering immovable property. The proposed amendments provide that when sales tax is collected by the immovable property contractor and remitted to the department, there is a legal presumption that the parties intended there to be a sale of tangible personal property and that collection from the customer was proper. The proposed amendments also establish requirements to overcome that presumption. These amendments are needed because the current version of LAC 61:I.4372 has resulted in disputes over who is responsible for collecting and remitting sales and use tax for materials incorporated into immovable property, particularly in the oil and gas industry. These disputes have occasionally resulted in no tax being paid to the state on transactions that the Louisiana Legislature has deemed taxable.

Title 61
REVENUE AND TAXATION
Part I. Taxes Collected and Administered by the Secretary of Revenue
Chapter 43. Sales and Use Tax
§4372. Payment of Sales and Use Taxes by Persons Constructing, Renovating, or Altering Immovable Property

A. - B. …

C. Except as provided in Subsection D of this Section, sales of tangible personal property, including materials, supplies, and equipment, made to contractors, or their contractors, subcontractors, or agents, for use in the construction, alteration, or repair of immovable property are presumed to be sales to consumers or users, not sales for resale, and therefore the contractor is liable for the taxes imposed by this Chapter on the contractor's purchases or importations of such tangible personal property.

1. Examples

a. Customer hires a contractor to provide services related to immovable property (such as inspection, installation or repairs to immovable property or hydraulic fracturing services and/or other down-hole services). Contractor did not pay sales tax on its purchase of the materials, supplies and equipment used to perform the