

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

#### Donations to the Louisiana Military Family Assistance Fund (LAC 61:III.1101)

Under the authority of R.S. 47:120.31, 297.5, 306.2, and 1511 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 adopt LAC 61:III.1101 to provide for the administration of Acts 2005, No. 151, which authorizes donations to the Louisiana Military Family Assistance Fund by designation on state income and sales tax returns.

#### Title 61

#### REVENUE AND TAXATION

#### Part III. Department of Revenue Administrative Provisions and Miscellaneous

#### Chapter 11. Donations

#### §1101. Donations to the Louisiana Military Family Assistance Fund

A. Taxpayers filing individual or corporate income or sales and use tax returns may designate all or any portion of a refund, credit, or vendor's compensation as a donation, or may donate an amount greater than the tax or refund due to the Louisiana Military Family Assistance Fund (Fund) at the time that the tax returns are submitted to the Department of Revenue.

1. For corporate and individual income tax, returns for tax periods beginning on or after January 1, 2005, may include a designated donation.

2. For sales and use tax, returns for tax periods beginning on or after January 1, 2006, may include a designated donation.

B. To make a donation to the fund, the taxpayer must comply with all of the requirements for proper payment of the tax due including filing a correct return and paying all taxes, interest, and penalties due.

1. The taxpayer must properly designate the amount of the donation intended on the tax return form.

2. The taxpayer may donate all or a portion of any refund, credit, or vendor's compensation to the fund by designating the amount to be donated on the appropriate line of the return.

3. The taxpayer may contribute additional amounts to the fund by increasing the amount of the payment made for taxes, interest, and penalties due and designating the amount to be donated on the appropriate line of the return. Any additional donation must accompany the return. Donations not accompanying the filing of a return will be returned.

4. Once a taxpayer has made the election to donate, the taxpayer may not change the donation amount after the tax return has been filed.

#### C. Adjustments to Donation Amounts

1. Donation of Vendor's Compensation or Overpayments

a. If a taxpayer elects to donate all or any portion of an expected overpayment and the amount of the overpayment is reduced because of return errors or disallowance of vendor's compensation, the donation amount will be reduced accordingly.

b. If a taxpayer elects to donate all or any portion of their vendor's compensation or an expected overpayment and the taxpayer has other outstanding liabilities for other taxes or tax periods, the overpayment will first be applied to the outstanding tax liabilities and the donation amount will be reduced accordingly.

c. If a taxpayer elects to donate all or any portion of their vendor's compensation or an expected overpayment and the taxpayer is subject to other offsets, garnishments, liens, or seizures, the overpayment will first be applied to those legal responsibilities and the donation amount will be reduced accordingly.

2. Additional Donations. If a taxpayer elects to contribute additional amounts by increasing the amount of the tax return payment and the amount due on the return is increased because of return errors or disallowance of vendor's compensation or the taxpayer fails to pay in full the amount shown due on the return, the taxes due will not be considered properly paid as required by §1101.B and the donation amount will be reduced accordingly.

3. Taxpayers will be notified of any donation adjustments.

4. The department will not seek to collect amounts designated as a donation by the taxpayer if the donation amount is adjusted as provided by §1101.C.1-2.

AUTHORITY NOTE: Adopted in accordance with R.S. 47:120.31, 297.5, 306.2 and 1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 31:

#### Family Impact Statement

1. The Effect on the Stability of the Family. Implementation of this proposed Rule will improve the stability of needy military families who receive assistance from the Louisiana Military Family Assistance Board.

2. The Effect on the Authority and Rights of Parents Regarding the Education and Supervision of Their Children. 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. The Effect on the Functioning of the Family. Implementation of this proposed Rule will have no effect on the functioning of the family.

4. The Effect on Family Earnings and Family Budget. Implementation of this proposed Rule will have a positive effect on family earnings and family budget of military families who receive assistance from the Louisiana Military Family Assistance Board.

5. The Effect on the Behavior and Personal Responsibility of Children. Implementation of this proposed Rule will have no effect on the behavior and personal responsibility of children.

6. The Ability of the Family or a Local Government to Perform the Function as Contained in the Proposed Rule. Implementation of this proposed Rule will have no effect on the ability of the family or a local government to perform this function.

Interested persons may submit data, views, or arguments, in writing to Linda Denney, Senior Policy Consultant, Policy Services Division, Department of Revenue, P.O. Box 44098, Baton Rouge, LA 70804-4098 or by fax to (225) 219-2759. All comments must be submitted by 4:30 p.m., Wednesday, October 26, 2005. A public hearing will be held on Thursday, October 27, 2005, at 1 p.m. in the Griffon Room

on the First Floor of the LaSalle Building at 617 North Third Street, Baton Rouge, LA 70802-5428.

Cynthia Bridges  
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES  
RULE TITLE: Donations to the Louisiana  
Military Family Assistance Fund**

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

Acts 2005, No. 151 enacted R.S. 47:120.31, 297.5, and 306.2, which allow taxpayers filing individual or corporate income or sales and use tax returns to donate all or any portion of a refund, credit, or vendor's compensation, or make an additional donation to the Louisiana Military Family Assistance Fund at the time that the tax returns are filed with the Department of Revenue.

Implementation of this proposed rule will result in first-year costs of \$55,000 for programming the Department's DELTA tax system to account for the monies donated to the fund and adding scanning capabilities for data capture of the five new lines on the sales tax return and the one new line on the income tax returns. Subsequent years' administrative costs should be minimal.

There will be no implementation costs for local governmental units.

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

This proposed rule, which allows taxpayers filing individual or corporate income or sales and use tax returns to donate all or any portion of a refund, credit, or vendor's compensation, or make an additional donation to the Louisiana Military Family Assistance Fund at the time that the tax returns are filed, 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 NONGOVERNMENTAL GROUPS (Summary)**

This proposed rule will provide financial assistance to qualifying military family members who make need-based claims that are approved by the Louisiana Military Family Assistance Board as provided by R.S. 46:122.

This proposed rule will affect taxpayer receipts or income to the extent that taxpayers elect to donate to the Louisiana Military Family Assistance Fund.

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

This proposed rule will have no effect on competition or employment.

Cynthia Bridges  
Secretary  
0509#028

Robert E. Hosse  
Staff Director  
Legislative Fiscal Office