

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

#### Tax Preparers—Electronic Filing Requirement (LAC 61:III.1501)

Under the authority of R.S. 47:1511 and 47:1520 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.1501 to provide for the requirement for tax preparers to file certain individual income tax returns electronically.

Act 452 of the 2006 Regular Session of the Legislature amended R.S. 47:1520(A) to authorize the secretary to require certain tax preparers to file returns electronically under certain circumstances and to require that the electronic filing requirements be implemented by administrative rule in accordance with the Administrative Procedure Act.

#### Title 61

#### REVENUE AND TAXATION

#### Part III. Administrative Provisions and Miscellaneous

#### Chapter 15. Electronic Filing and Payments

#### §1501. Requirement for Tax Preparers to File Income Tax Returns Electronically

##### A. Definitions

*Authorized Individual Income Tax Return*—any individual tax return that can be filed electronically.

*Filed Electronically*—filing a tax return by electronic means using software that has been approved for electronic filing by the Louisiana Department of Revenue.

*Individual Income Tax Return*—any tax return required to be filed by R.S. 47:101.

*Tax Preparer*—a person or entity that prepares for compensation or employs one or more persons to prepare for compensation any Louisiana individual income tax return.

a. A tax preparer is an entity that is assigned a Tax Identification Number and includes all of the entity's locations.

b. The combined total of the returns prepared at all of the tax preparer's locations will be used to determine whether or not the tax preparer is subject to the electronic filing mandate.

B. Individual income tax returns prepared by a tax preparer that prepares more than 100 Louisiana individual income tax returns during any calendar year are required to be filed electronically as follows.

1. For returns due on or after January 1, 2008, 30 percent of the authorized individual income tax returns must be file electronically.

2. For returns due on or after January 1, 2010, 60 percent of the authorized individual income tax returns must be filed electronically.

3. For returns due on or after January 1, 2012, 90 percent of the authorized individual income tax returns must be filed electronically.

C. A tax preparer that is subject to the electronic filing mandate must be accepted in the IRS e-file Program and have an electronic filer identification number (EFIN) and use software that has been approved for e-file by the Louisiana Department of Revenue.

D. Once a tax preparer is subject to the electronic filing mandate, the tax preparer must continue to e-file the

required percentage of authorized individual income tax returns in future years regardless of the number of returns filed.

E. The secretary may waive the electronic filing requirement if it is determined that complying with the requirement would cause an undue hardship.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and R.S. 47:1520.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 33:

#### Family Impact Statement

As required by Act 1183 of the 1999 Regular Session of the Louisiana Legislature the following Family Impact Statement is submitted to be published with the Notice of Intent in the *Louisiana Register*. A copy of this statement will also be provided to our Legislative oversight committees. Implementation of this proposed Rule will have no 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.

Interested persons may submit data, views, or arguments, in writing to Leonore Heavey, Senior Policy Consultant, Policy Services Division, 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., Tuesday, September 25, 2007. A public hearing will be held on Wednesday, September 26, 2007, at 10 a.m. in the River Room Conference Room on the Seventh 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: Tax Preparers Electronic Filing Requirement

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

This proposed rule will require individual income tax returns prepared by a tax preparer that prepares more than 100 Louisiana individual income tax returns during any calendar year to be filed electronically. The electronic filing systems and processes will allow the reallocation of some resources and staff time to other tax process

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

This proposed rule, which will require individual income tax returns prepared by a tax preparer that prepares more than 100 Louisiana individual income tax returns during any calendar year to be filed electronically, will have no impact 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)

Tax preparers who prepare more than 100 Louisiana individual income tax returns during any calendar year will be required to file a percentage of their returns electronically.

Electronic filing is usually less costly for tax preparers than paper filing and most preparers do not charge the tax payer for this service. The costs to tax preparers and taxpayers should be negligible.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT  
(Summary)

This proposed rule should not effect competition or employment.

Cynthia Bridges  
Secretary  
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