

NOTICE OF INTENT

**Department of Revenue
Policy Services Division**

Segregation of Items of Gross Income
(LAC 61:I.1128)

Cynthia Bridges
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Segregation of Items of Gross Income**

Under the authority of R.S. 47:287.92, R.S. 47:287.93, R.S. 47:287.785, R.S. 47:1511, 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 repeal LAC 61:I.1128 relative to the segregation of items of gross income.

The purpose of this regulation is to repeal the corporation income tax regulation relating to the segregation of items of gross income pursuant to Act 401 of the 2005 Regular Session. Act 401 repeals R.S. 47:287.95(E) pertaining to income from the business of making loans and the remaining portion of the regulation is merely a restatement of the statute. Thus, LAC 61:I.1128 is purposeless.

Title 61

REVENUE AND TAXATION

**Part I. Taxes Collected and Administered by the
Secretary of Revenue**

**Chapter 11. Income: Corporation Income Tax
§1128. Segregation of Items of Gross Income**

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:287.92, R.S. 47:287.93, R.S. 47:287.785, and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Income Tax Section, LR 14:101 (February 1988), repromulgated by the Department of Revenue, Policy Services Division, LR 30:476 (March 2004), repealed LR 32:

Family Impact Statement

The proposed repealing of LAC 61:I.1128, regarding the segregation of items of gross income 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. The implementation of this proposed Rule 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 budgets;
5. the behavior and personal responsibility of children;
6. the ability of the family or a local government to perform this function.

Any interested person may submit written data, views, arguments or comments regarding this proposed Rule to Michael D. Pearson, Senior Policy Consultant, Policy Services Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be submitted no later than 4:30 p.m., Tuesday, November 29, 2005. A public hearing will be held on Wednesday, November 30, 2005, at 10 p.m. in the River Room located on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

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

The repeal of LAC 61:I.1128, relative to the corporation income tax, will have no impact on the agency's costs. The rule addresses a statute that has been repealed. The remaining portion of the rule is a restatement of existing statute making the rule purposeless.

The implementation of this proposed regulation will have no impact upon any local governmental units.

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

The repeal of the rule is related to the implementation of a portion of Act 401 of the 2005 Regular Legislative Session (HB 679). Act 401, in its entirety, is estimated to reduce State General Fund revenues by \$4.8 million in FY 2006-07, \$4.4 million in FY 2007-08, \$3.9 million in FY 2008-09, and \$3.5 million in FY 2009-10. The portion of the total fiscal effect associated with the repeal of LAC 61:I.1128 resulting from the implementation of that Act is indeterminable.

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

Statutory changes related to Act 401 of the 2005 Regular Legislative Session will decrease the tax payments of affected businesses by an estimated \$4.8 million in FY 2006-07. Tax reductions for affected businesses associated with this specific rule repeal resulting from the implementation of that Act are indeterminable.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

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