

## NOTICE OF INTENT

### Department of Revenue Tax Policy and Planning Division

#### Withholding by Professional Athletic Teams (LAC 61:I.1520)

Under the authority of R.S. 39:100.1 and R.S. 47:1511, 164(D), 295, 114, and 1602.1, and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, proposes to amend LAC 61:I.1520. The amendment changes the reference to the rate of withholding from a numerical rate to the rate imposed on individuals pursuant to R.S. 47:32.

The purpose of this proposed Rule is to align the withholding tax rate applicable to professional athletic teams with the individual income tax rate established in R.S. 47:32, so that the rate adjusts by operation of law and ensures consistent and simplified administration.

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 15. Income: Withholding Tax

#### §1520. Withholding by Professional Athletic Teams

A-B.3. ...

C. Rate of Withholding. The withholding tax rate under this Section shall be computed at the rate levied on individuals pursuant to the provisions of R.S. 47:32 and applied to the compensation attributable to "duty days" spent in Louisiana.

D.-G.1.b. ...

AUTHORITY NOTE: Adopted in accordance with R.S. 39:100.1, R.S. 47:164(D), R.S. 47:295, R.S. 47:1511, R.S. 47:114 and R.S. 47:1602.1.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 30:91 (January 2004), amended LR 39:104 (January 2013), repromulgated LR 39:330 (February 2013), amended LR 48:507 (March 2022), amended LR 48:2766 (November 2022); amended by Department of Revenue, Tax Policy and Planning Division, 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 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, by email to [morgan.newton@la.gov](mailto:morgan.newton@la.gov). All comments must be received no later than 4:00 p.m., July 27, 2026.

#### **Public Hearing**

Interested persons may submit a written request for a public hearing no later than July 10, 2026, at 4:30 p.m. Requests may be submitted via email to [morgan.newton@la.gov](mailto:morgan.newton@la.gov) and reference Withholding by Professional Athletic Teams. 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 July 28, 2026, at 12:00 p.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 at by email at [LDRadarequests@la.gov](mailto:LDRadarequests@la.gov) or by phone at (225) 219-2780.

Jarrold J. Coniglio  
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

**RULE TITLE: Withholding by Professional Athletic Teams**

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

**The proposed rule is not anticipated to result in any direct implementation costs or savings to state or local governmental units. The Department of Revenue (LDR) may incur minimal workload increases associated with a minor one-time form revision and system update, but these duties are consistent with existing department functions and are anticipated to be absorbed within LDR's current budget allocation.**

**The proposed regulation amends LAC 61: I.1520, Withholding by Professional Athletic Teams. The purpose of this rule is to align the withholding tax rate applicable to professional athletic teams with the current individual income tax rate, so that the rate adjusts by operation of law and ensures consistent and simplified administration. It eliminates the need to update the rule every time the tax rate changes. The withholding rate under this proposal is changed from 4.25% to the income tax rate levied on individuals pursuant to the provisions of R.S. 47:32 and applied to the compensation attributable to "duty days" spent in Louisiana.**

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

**The proposed rule change is not anticipated to materially affect total long-term income tax liabilities or recurring annual revenues into the Sports Facility Assistance Fund. However, aligning withholding rates with the statutory individual income tax rate may alter the timing of collections and taxpayer reconciliations between fiscal years. As a result of the change in timing of collections, statutory dedication revenues into the Sports Facility Assistance Fund may decrease by an indeterminable amount in FY 27, but will return to baseline revenue collections in FY 28 and subsequent years. Reducing the withholding rate from the prior fixed rate of 4.25% to the current statutory individual income tax rate of 3% may reduce income tax collections received through withholding during FY 27 and also reduce reconciliation payments received within the same fiscal year due to the timing of return filings, although total taxpayer liability is not expected to change over time.**

**Local government units are not directly impacted as local governments in Louisiana do not receive revenue from state income tax withholding.**

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

**Aligning the withholding rate applicable to professional athletic teams with the current statutory individual income tax rate may reduce the amount of tax withheld and remitted during FY 27 and alter reconciliation payments associated with annual return filings. As a result, affected taxpayers (nonresident professional athletes) and withholding agents (athletic teams not domiciled in Louisiana) may experience changes in withholding remittances and final payments; however, total taxpayer liability is not expected to materially change over time as a result of the proposed rule change. The proposed rule change is not anticipated to result in material long-term costs or economic benefits to directly affected persons, small businesses, or non-governmental groups.**

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

Brandea Averett  
Deputy Secretary

Alan M. Boxberger  
Legislative Fiscal Officer