

Richard Nelson
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Mandatory Electronic Filing and
Payment Requirements**

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

The proposed rule is anticipated to decrease \$550,000 SGR in FY 26 and \$1.1 M SGR annually beginning in FY 27 in the Department of Revenue (LDR). These cost savings reduce department costs related to scanning, validation, storage, and destruction of paper returns for sales and withholding taxes processed, which will now be mandated under the proposed rule to be filed and/or paid electronically.

The Secretary of LDR has established rules requiring electronic filing or payment of various taxes and fees, typically for specific tax types. This proposal seeks to consolidate these rules for easier identification of which returns, reports, and payments must be filed electronically. The new rules would extend electronic filing and payment requirements to all sales tax returns, all withholding tax returns and statements, the annual information return for certain service recipients, and all automobile rental taxes. Currently, these requirements apply only under certain circumstances. The proposed rule would encompass all returns for the specified tax types, unless explicitly exempted. Currently, returns and payments for the specified tax types can be made electronically.

Implementation of this proposed rule should not result in any additional costs for state or local governments.

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

The proposed rule may increase state general fund (SGF) and self-generated revenue (SGR) collections from penalties by an indeterminable amount beginning in FY 26 (see note below). A modest and temporary increase in revenue from penalties may occur as the proposed rule is implemented, although LDR cannot predict non-compliant behavior. For returns that are currently required to be filed electronically, LDR has collected the following amounts in non-E-filing penalties: \$48,900 in FY 20, \$23,500 in FY 21, \$13,900 in FY 22, \$113,100 in FY 23, and \$188,000 in FY 24. LDR has collected the following amounts in non-E-payment penalties: \$395,800 in FY 20, \$438,500 in FY 21, \$390,900 in FY 22, \$0 in FY 23, and \$0 in FY 24. However, any actual collections in penalties are dependent upon non-compliant behavior associated with the filing types included in the proposed rules. Therefore, any increase in revenue is indeterminable.

Note: Pursuant to Act 348 of the 2020 Regular Session, penalties and fees except compensatory fees levied by LDR will accrue to the state general fund, rather than to self-generated revenue for the department.

Local governmental units are not affected.

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

The proposed rule seeks to simplify the electronic filing and payment requirements by consolidating various rules related to these processes for specific taxes managed and collected by LDR. This consolidation will make it easier for taxpayers to determine which returns, reports, and payments need to be filed electronically.

The proposed rule also extends the electronic filing and payment requirements to include all sales tax returns, all withholding tax returns and statements, and the annual

information return required to be filed by certain service recipients, and to require electronic payment of all automobile rental taxes. This proposed rule requires taxpayers to file their returns and reports electronically for all returns filed for the specified tax types, unless specifically excepted, and remit the tax and payment by electronic funds transfer on or after January 1, 2026.

Electronic filing of the tax returns will be available directly through LDR's LaTAP portal, which will allow taxpayers to file for free. LDR does not have the information necessary to determine the additional costs to comply with the proposed rules, but these costs are expected to be minimal as online access and activity have largely become a business standard. To the extent non-compliance penalties are collected, affected taxpayers will incur penalty costs. LDR cannot estimate the additional penalty amount as it is dependent upon taxpayer violations and liabilities.

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

There is no anticipated impact on competition or employment.

Richard Nelson
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Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

**NOTICE OF INTENT
Department of Revenue
Tax Policy and Planning Division**

**Sales Tax on Vending Machine Sales
(LAC 61.I.4301)**

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.4301-Dealer relative to purchases and sales by vending machine operators.

Act 11 of the 2024 Third Extraordinary Session of the Legislature repealed a provision that classified sales of tangible personal property to vending machine operators as sales at retail and the operator's subsequent sale through the vending machine exempt from tax. As a result of this repeal, sales of tangible personal property from vending machines qualify as sales at retail and the operator is required to collect and remit sales tax on those sales. The purpose of this Rule is to provide guidance to vending machine operators on how to calculate and account for the sales tax due on sales from its vending machines.

**Title 61
REVENUE AND TAXATION**

**Part I. Administrative and Miscellaneous Provisions
Chapter 43. Sales and Use Tax
§4301. Uniform State and Local Sales Tax Definitions**

A. - C. ...

Dealer—

a. - g. ...

h. A vending machine operator is a dealer and must report his sales of tangible personal property through coin-operated vending machines as retail sales.

i. Gross taxable sales from coin-operated vending machines shall equal the total gross receipts from sales divided by one plus the total combined state and local tax rate.

ii. The vending machine operator shall display a notice on each vending machine that the advertised price includes applicable state and local sales taxes.

i. ...

* * *

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:301 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Sales Tax Section, LR 13:107 (February 1987), amended by the Department of Revenue and Taxation, Sales Tax Division, LR 21:957 (September 1995), LR 22:855 (September 1996), amended by the Department of Revenue, Policy Services Division, LR 27:1703 (October 2001), LR 28:348 (February 2002), LR 28:1488 (June 2002), LR 28:2554, 2556 (December 2002), LR 29:186 (February 2003), LR 30:1306 (June 2004), LR 30:2870 (December 2004), LR 31:697 (March 2005), LR 32:111 (January 2006), LR 32:865 (May 2006), LR 44:2022 (November 2018), amended by Department of Revenue, Tax Policy and Planning Division, LR 52:

Family Impact Statement

The proposed Rule has no 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 this proposed Rule has 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.
4. the behavior and personal responsibility of children.
5. the ability of the family or a local government to perform this function.

Poverty Impact Statement

The proposed Rule has no known impact on poverty as described in R.S. 49:973.

Small Business Analysis

The proposed Rule has no known measurable impact on small businesses as described in R.S. 49:965.6.

Provider Impact Statement

The proposed Rule has 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

All interested persons may submit written data, views, arguments or comments regarding this proposed rule to Brandea Averett, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m., November 26, 2025.

Public Hearing

Interested persons may submit a written request for a public hearing no later than Monday, November 10, 2025, at 4:30 p.m. Requests may be submitted either by mail, addressed to Brandea Averett, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton

Rouge, LA 70804-4098 or via email to Brandea.Averett@la.gov. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, a public hearing will be held on December 1, 2025, at 9 a.m. in the LaBelle Room, located on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, La 70802, for all interested persons to attend and submit oral or written comments. To confirm whether or not the public hearing will be held, please visit the department's website at <https://revenue.louisiana.gov/tax-policy/rules-regulations>, and under "Types" select "Nonemergency Rulemaking". In accordance with the Americans with Disabilities Act, should individuals with a disability need an accommodation to participate, contact Brandea Averett at the address given above in the Public Comments section, by email at LDRadarequests@la.gov or by phone at (225) 219-2780.

Richard Nelson
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Sales Tax on Vending Machine Sales

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

Implementation of this proposed amendment is not anticipated to result in any additional costs for state or local governments.

Act 11 of the 2024 Third Extraordinary Session repealed a provision that classified tangible personal property sold in vending machines as exempt from tax, as provided for in La. R.S. 47:301(10)(b). The proposed amendment provides guidance to vending machine operators on how to calculate and account for the sales tax due on sales of tangible personal property through coin-operated vending machines.

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

The proposed amendment is estimated to increase SGF revenue by \$1.3 M annually, as state sales tax will be paid on transactions at the vending machine, rather than when vending machine operators purchase tangible personal property at retail. Based on historical sales tax data from FY 22 to FY 24, the average annual state revenue loss reported on vending machine transactions was approximately \$2.3 M under a 4.45% tax rate, implying \$51.7 M in total vending machine sales. Applying the current 5% state sales tax rate results in potential annual collections of \$2.6 M on vending machine transactions. Before Act 11 of the 3rd ES, state sales tax was due on purchases vending machine operators make from a wholesaler upon purchasing goods for resale. The Legislative Fiscal Office (LFO), for this fiscal economic impact analysis, assumes a markup of 100% from the cost of goods sold to the price at the vending machines to arrive at a pre-markup cost of goods of \$25.9 M. This markup assumption is considered conservative, as actual markups may exceed 100%. Applying a 5% sales tax rate on those transactions yields an estimated collection of approximately \$1.3 M on retail transactions. To gather the impact from the proposed amendment, subtract the \$1.3 M collection estimate from \$2.6 M to yield a potential revenue impact estimate of \$1.3 M. This difference represents the increase in tax collections from moving state sales tax paid on purchases from wholesalers to the transactions taking place at vending machines. It is unclear if the sales tax return data captured all excluded sales, so this may be considered a conservative estimate.

Local governmental units are not affected by the proposed amendment, because local sales tax is already collected on the vending machine transaction, not the wholesale transaction. The proposed amendment will make the state and local sales tax uniform with respect to when sales tax is applied to vending machine transactions.

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

Owners of coin-operated vending machines in Louisiana will be directly impacted by the proposed amendment; however, the expected effect will be minimal. Vending machine operators are required to display a notice on each machine indicating that the advertised price includes all applicable state and local sales taxes.

The proposed rule is estimated to increase receipts on purchases made from vending machines by \$1.3 M annually, as state sales tax will be paid on transactions at the vending machine, rather than when vending machine operators purchase tangible personal property at wholesale.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated impact on competition or employment.

Richard Nelson
Secretary
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Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Revenue
Tax Policy and Planning Division**

**Tax Credit Documentation Requirements
(LAC 61:I.1903)**

Editor's Note: This Notice of Intent is being reprinted in order to change the reference to the "School Readiness Tax Credits", as provided in LAC 61:I.1903, to the "Workforce Child Care Tax Credits", as required by Act 454 of the 2025 Regular Session of the Louisiana Legislature. The original Notice of Intent can be viewed in its entirety on pages 1517-1519 of the September 20, 2025 *Louisiana Register*.

Under the authority of 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, Tax Policy and Planning Division, proposes to amend LAC 61:I.1902, 1903, and 1905.

R.S. 47:1624(F) authorizes the suspension of the accrual of interest during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by statute or regulation. The purpose of these amendments is to set forth the information and documentation required to be provided by a taxpayer claiming the inventory tax credit, certain school readiness tax credits, and the credit for property taxes paid by certain telephone companies.

Title 61

REVENUE AND TAXATION

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

**Chapter 19. Miscellaneous Tax Exemptions, Credits
and Deductions**

**§1903. Administration of the Workforce Child Care Tax
Credits**

A. - A.3. ...

4. The accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide any of the information or documentation required herein, as provided by R.S. 47:1624(F).

B. - B.1. ...

2. The provider shall complete the provider portion of the credit certificate and shall submit the certificate to each taxpayer who had a child at the facility during the calendar year no later than January 31 of the succeeding year. The provider portion of the credit certificate will include, but not be limited to, the following information: the child care facility name, the child care facility star rating, the child care facility Louisiana tax identification number, the child care facility license number, the name of the child attending the facility and the issue date and effective year. The provider shall submit to the Department of Revenue a list of all taxpayers to whom a certificate was issued.

3. ...

4. The Department of Education shall provide information necessary for the Secretary of the Department of Revenue to determine the child care provider's quality rating.

C. - C.1.d. ...

2. The Department of Education shall provide documentation to each qualifying provider of the average monthly number of children participating in the Child Care Assistance Program or in the Foster Care Program. If the provider has multiple sites, the Department of Education shall provide this information for each site. The certificate shall be delivered or mailed to all qualifying child care providers by March 1 of the year following the year the credit is earned. The certificate shall include, but not be limited to, the following information: the child care facility name, the child care facility star rating, the child care facility license number and the issue date and effective year.

3. Child care providers shall submit the credit certificate issued by the Department of Education with their Louisiana income tax return claiming the credit.

4. The Department of Education shall provide information necessary for the Secretary of the Department of Revenue to determine and/or verify the provider's quality rating.

D. Credit for Child Care Directors and Staff

1. The Department of Education shall provide information necessary for the Secretary of the Department of Revenue to determine and/or verify the director and staff levels for earning the credit