

NOTICE OF INTENT

Department of Revenue Tax Policy and Planning Division

Tax Credit Documentation Requirements (LAC 61:I.1902, 1903, and 1905)

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

§1902. Inventory Tax Credits

A. – D3. ...

E. Documentation for Claiming the Credit

1. The following documentation shall be submitted with any return claiming the credit at the time of filing:

a. Form R-10610, Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors, and Retailers;

b. a copy of the ad valorem (property) tax assessment prepared by the assessor's office; and

c. a copy of the cancelled check or receipt of electronic payment for the ad valorem (property) tax assessment.

2. A manufacturer that has claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the taxable year in which the local inventory taxes were levied and members of a consolidated federal income tax return that includes a manufacturer who has claimed the property tax exemption under ITEP must submit the following documentation with the return at the time of filing:

a. Form R-10610-ITE, Schedule of Ad Valorem Tax Credit Claimed by ITEP Manufacturers for Ad Valorem Tax Paid on Inventory;

b. a copy of the ad valorem (property) tax assessments prepared by the assessor's office; and

c. a copy of the cancelled check or receipt of electronic payment for the ad valorem (property) tax assessments.

3. 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).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and 6006.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 27:1705 (October 2001), amended by the Department of Revenue, Tax Policy and Planning Division, LR 51:

§1903. Administration of the School Readiness 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 ~~Department of Social Services~~ 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 ~~Social Services~~ 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 ~~Social Services~~ 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 ~~Social Services~~ 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 ~~Department of Social Services~~ license number and the issue date and effective year.

3. Child care providers ~~that operate as a corporation or sole proprietorship~~ shall submit or maintain the credit certificate issued by the Department of Education with the Louisiana income tax return claiming the credit, as required by the Secretary of the Department of Revenue in forms and instructions.

4. ~~For child care providers that operate as flow-through entities such as partnerships, LLCs electing partnership treatment, or S-corporations passing credits through to shareholders, every partner, member, or shareholder claiming the credit must submit the credit certificate issued by the Department of Education with their Louisiana or maintain copies of the information issued by the Department of Social Services for each site. Every partner, member, or shareholder claiming the credit must submit or maintain a schedule showing how the total credit is allocated to each partner, member or shareholder.~~

45. The Department of ~~Social Services~~ 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 ~~Social Services~~ 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

2. In order to claim this credit, the Department of ~~Education~~ Social Services, or ~~their~~ its representative, must provide child care facility directors and staff members with Form R-10615, Louisiana School Readiness Tax Credit For Child Care Director and Staff Member, ~~a certificate no later than January 31 that states~~ stating which level of qualification the employee meets according to the criteria established by the Department of ~~Education~~ Social Services. The taxpayer must submit or maintain Form R-10615 the certificate with their Louisiana income tax return, as required by the Secretary of the Department of Revenue in forms and instructions.

3. Each child care facility director and staff member will also have to verify that he/she has worked at the same child care facility for at least six months in the calendar year, unless otherwise approved by the Department of ~~Social Services~~ Education.

4. Child care director and staff levels will have such meaning as provided by regulation issued by the Department of ~~Social Services~~ Education.

E.-E.1. ...

a. In order for a business to claim this credit, the business must support the amount of qualifying expenses paid or made by providing ~~provide~~ the Department of Revenue with copies of cancelled checks, receipts, and other documentation containing the following information: the name and Louisiana revenue tax identification number of the child care facility to or for whom the eligible expenses were paid or made, the amount and nature of qualifying expenses at each child care facility as defined in R.S. 47:6102 and the child care facility's quality rating.

b. The Department of ~~Social Services~~ Education shall provide information necessary for the Secretary of the Department of Revenue to determine and/or verify the facility's quality rating

2.-2.b. ...

c. The Department of ~~Social Services~~ Education shall provide to the Department of Revenue a list of qualifying child care resource or referral agencies for each calendar year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:474 , R.S. 47:287.785, R.S. 47:295, R.S. 47:1511, and R.S. 47:6103.

HISTORICAL NOTE: Promulgated by the Department of Revenue and the Department of Social Services, LR 33:2667 (December 2007), amended by the Department of Revenue, Tax Policy and Planning Division, LR 51:

§1905. Telephone Company Property Assessment Relief Fund

A. – D.4. ...

E. Documentation for Claiming the Credit

1. The following documentation shall be attached to and submitted with the return at the time of filing:

a. a copy of the ad valorem (property) tax assessment prepared by the assessor's office;

b. a copy of the cancelled check or receipt of electronic payment for the ad valorem (property) tax assessment; and

c. a schedule stating which entity paid the tax and obtained the credit on the taxpayer's behalf, if applicable.

2. 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 information or documentation required herein, as provided by R.S. 47:1624(F).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and 6014.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 32:866 (May 2006), amended by the Department of Revenue, Tax Policy and Planning Division, LR 51:

Family Impact Statement

The proposed amendments 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 this 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 Impact Statement

The proposed amendments will have no known impact on poverty as described in R.S. 49:973.

Small Business Analysis

It is anticipated that the proposed amendments should not 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 these proposed amendments to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed amendments will have no known or foreseeable effect on:

1. The staffing level 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, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be received no later than 4:30 p.m., October 27, 2025.

Public Hearing

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

Rouge, LA 70804-4098, or via email to morgan.newton@la.gov and reference Louisiana Fortified Roof Tax Credit Comments. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, a public hearing will be held on October 28, 2025, at 10:30 a.m. in the River 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 in order to participate, contact Morgan Newton 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, Department of Revenue

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AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and 6006.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 27:1705 (October 2001), amended by the Department of Revenue, Tax Policy and Planning Division, LR 51:

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

Person Preparing Statement:	<u>Ashley Joseph</u>	Dept.:	<u>Louisiana Department of Revenue</u>
Phone:	<u>225-219-2259</u>	Office:	<u>External Reporting Division</u>
Return Address:	<u>617 North 3rd Street</u> <u>Baton Rouge, La 70802</u>	Rule Title:	<u>LAC 611:1902, 1903, and 1905</u>
		Date Rule Takes Effect:	<u>December 20, 2025</u>

SUMMARY
(Use complete sentences)

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

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

The proposed rule sets forth the information and documentation required to be provided when claiming the inventory tax credit, certain school readiness tax credits, and the telephone property credit. The proposed rule also allows for the suspension of interest as provided in R.S. 47:1624(F). R.S. 47:1624(F) authorizes the suspension of accrual of interest due to a delay in the issuance of a refund that is attributable to the taxpayer's failure to provide information or documentation required by statute or regulation.

Implementation of this proposal will not result in material additional costs or cost savings to the Department of Revenue (LDR).

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

To the extent the additional information required for the credits and the suspension of interest provisions reduce refund interest paid by the state to taxpayers, the proposed rule will increase state revenue.

According to R.S. 47:1624(A)(1)(a) interest shall be allowed from 90 days after the later of the due date of the return, the filing date of the return or claim for refund on which the overpayment is claimed, or the date the tax was paid. LDR is unable to provide an estimate as to how much interest has accumulated due to missing documentation for these particular credits.

With no local income tax, there is no impact to local governmental revenue as a result of this rule.

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

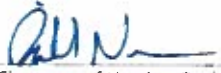
Taxpayers claiming the inventory tax credit, certain school readiness tax credits, or the telephone property tax credit will be affected by the proposed rule. Taxpayers will be required to submit new documentation when filing the return. However, the additional costs for completion and submission of the required information to claim the tax credit on the return from this proposed rule are expected to be minor.

To the extent taxpayers previously received interest in certain circumstances, the proposed rule will decrease taxpayer income from the interest suspension when proper documentation is not provided.

07/2025

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated impact on competition or employment.



Signature of Head or Designee

Richard Nelson, Secretary

Typed Name & Title of Agency Head or Designee



Date of Signature



Legislative Fiscal Officer or Designee



Date of Signature