

State of Louisiana
Department of Revenue



JOHN BEL EDWARDS
Governor

KEVIN J. RICHARD, CPA
Secretary

September 1, 2022

Via e-mail (return receipt requested) to:

The Honorable Stuart J. Bishop
Chairman of the House Committee on Ways and Means
P.O. Box 94062
Baton Rouge, Louisiana 70804
apa.h-wm@legis.la.gov

The Honorable R.L. "Bret" Allain, II
Chairman of the Senate Committee on Revenue & Fiscal Affairs
P.O. Box 94183
Baton Rouge, Louisiana 70804
apa.s-r&f@legis.la.gov

Re: Proposed Amendments to Regulations LAC 61:I.601; LAC 61:I.1307, and LAC 61:I.1520(C) - Presidential Disaster Tax Relief Credit, Federal Income Tax Deduction, Nonresident Net Operating Losses, and Withholding by Professional Athletic Teams

Chairman Bishop and Chairman Allain:

On July 7, 2022, a copy of the *Notice of Intent* issued by the Department of Revenue for promulgation of Proposed Amendments to Regulations LAC 61:I.601; LAC 61:I.1307, and LAC 61:I.1520(C) - *Presidential Disaster Tax Relief Credit, Federal Income Tax Deduction, Nonresident Net Operating Losses, and Withholding by Professional Athletic Teams* was sent to your committee for review. The primary purpose of these proposed amendments is to conform several regulation to the changes in law brought about by Acts 395 and 396 of the 2021 Regular Session of the Louisiana Legislature, which became operative on January 1, 2022 due to the passage of Constitutional Amendment Two during the November 13, 2021 election.

The *Notice of Intent* was published on pages 2021 and 2022 of the July 2022 issue of the *Louisiana Register*. A public hearing was held in the LaSalle Building on Thursday, August 25, 2022. There were no attendees other than the one Department attorney assigned to the promulgation of the proposed amendments. Additionally, no written or oral comments were received. As a result, no changes will be made to the text of the amended rule before it is finalized.

This report is being made in accordance with R.S. 47:968(D)(1)(b) of the Administrative Procedure Act. Unless otherwise directed, the proposed amendment will be submitted for publication as a final rule in the October 2022 edition of the *Louisiana Register*. Should you have

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any questions or need additional information, please contact Christina Junker via email at christina.junker2@la.gov or by phone at (225) 219-7823.

Sincerely,



Kevin J. Richard, CPA
Secretary

Cc: The Honorable Patrick Page Cortez, President of the Senate, apa.senatepresident@legis.la.gov
Office of the State Register, Reg.Submission@la.gov

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NOTICE OF INTENT

Department of Revenue Policy Services Division

Presidential Disaster Tax Relief Credit, Federal Income Tax Deduction and Withholding by Professional Athletic Teams (LAC 61:I.601, 1307, and 1520)

Under the authority of R.S. 39:100.1, 47:164(D), 287.785, 295, 1511, and 1602.1 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 395 and 396 of the 2021 Regular Session of the Louisiana Legislature, which became operative on January 1, 2022 due to the passage of Constitutional Amendment Two during the November 13, 2021 election, the Department of Revenue, Policy Services Division, gives notice that rulemaking procedures have been initiated to amend LAC 61:I.601, relative to certain federal disaster tax relief credits, LAC 61:I.1307 relative to the federal income tax deduction, and LAC 61:I.1520(C), relative to the withholding of Louisiana individual income tax by professional athletic teams for nonresident team members who render services to the team within Louisiana.

These proposed amendments would repeal regulations pertaining to Louisiana's federal income tax deduction and federal disaster tax relief credits which became obsolete due to the repeal of R.S. 47:293(4) and R.S. 47:287.85(C)(2). The purpose of LAC 61:I.601 was to declare the Katrina Emergency Tax Relief Act of 2005 and the Gulf Opportunity Zone Act of 2005 as disaster relief credits and provide guidance regarding their applicability in accordance with R.S. 47:293(4), while the purpose of LAC 61:I.1307 was to provide clarification regarding the two options for taxpayers to compute their federal income tax liability deduction when the taxpayer claimed the federal credit for foreign taxes paid pursuant to R.S. 47:297(B). In addition, the proposed amendments make LAC 61:I.1520, which requires periodic withholding for professional athletic teams domiciled outside Louisiana on their nonresident team members, consistent with the new individual income tax rates provided for by Act 395.

Title 61

REVENUE AND TAXATION

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

Chapter 6. Presidential Disaster Relief

§601. Presidential Disaster Relief

Repealed.

AUTHORITY NOTE: Adopted in accordance with R.S. 47:1511, R.S. 47:287.85(C)(2), R.S. 47:293(3) and R.S. 47:287.785.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 32:642 (April 2006), amended LR 32:1907 (October 2006), repealed LR 48:

§1307. Federal Income Tax Deduction

Repealed.

AUTHORITY NOTE: Adopted in accordance with 47:293(3), R.S. 47:297(B), R.S. 47:295, and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 32:642 (April 2006), amended LR 32:1907 (October 2006), repealed LR 48:

Chapter 15. Income: Withholding Tax §1520. Withholding by Professional Athletic Teams

A. - B. ...

C. Rate of Withholding. Effective on or after January 1, 2022, the withholding tax rate under this Section shall be 4.25 percent of the compensation attributable to "duty days" spent in Louisiana.

D. - H. ...

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:

Family Impact Statement

The proposed amendments to LAC 61:I.601, regarding Presidential Disaster Relief, LAC 61:I.1307, regarding the federal income tax deduction, and LAC 61:I.1520(C) regarding the withholding rate for professional athletic teams 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 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 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 regulation will have no impact on poverty as described in R.S. 49:973.

Small Business Statement

It is anticipated that this proposed amendment 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 this proposed amendment to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed amendment 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 Christina Junker, Attorney, Policy Services 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 4:00 p.m., Wednesday, August 24, 2022.

Public Hearing

A public hearing will be held on Thursday, August 25, 2022, at 1:00 p.m. in the LaBelle Room, on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Kevin J. Richard, CPA
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Presidential Disaster Tax Relief Credit, Federal Income Tax Deduction and Withholding by Professional Athletic Teams

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

The purpose of proposed amendments to LAC 61:1.601 is to remove administrative provisions made obsolete by Acts 395 and 396 of the 2021 Regular Session, 61:1.1307 is to remove administrative provisions made obsolete by Acts 395 of the 2021 Regular Session and Acts 403 of the 2021 Regular Session, and LAC 61:1.1520(C) is to update the individual income tax withholding rate for nonresident professional athletic team members from 4.2% to 4.25%, to ensure consistency with tax rates established in Act 395.

No material impacts on costs borne by state or local governmental units are anticipated due to this proposed rule change.

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

No material impacts on revenue collections of state or local governmental units are anticipated due to this proposed rule change.

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

No material impacts on costs or economic benefits are anticipated for affected personal or non-governmental groups due to this proposed rule change.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

No material impact on competition or employment is anticipated due to this proposed rule change.

Luke Morris
Deputy Secretary
2207#026

Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Wildlife and Fisheries Wildlife and Fisheries Commission

Daily Take of Crappie on Bayou D'Arbonne Lake (LAC 76:VII.197)

The Department of Wildlife and Fisheries and the Wildlife and Fisheries Commission do provide notice of their intent to amend a Rule (LAC 76:VII.197) by modifying the daily take of crappie on Bayou D'Arbonne Lake. The new daily

take will be 50 fish per person of which no more than 7 fish may exceed 12 inches in length, and the possession limit will be as established in statute. This rule is intended to increase the potential of catching trophy-size crappie by protecting larger fish and allowing for the harvest of smaller fish.

The secretary of the Department of Wildlife and Fisheries is authorized to take any and all necessary steps on behalf of the commission to promulgate and effectuate this Notice of Intent, including but not limited to, the filing of the Fiscal and Economic Impact Statement, the filing of the Notice of Intent and compiling public comments and submissions for the commission's review and consideration. In the absence of any further action by the commission following an opportunity to consider all public comments regarding the proposed Rule, the secretary is authorized and directed to prepare and transmit a summary report to the legislative oversight committees and file the final Rule.

Title 76

WILDLIFE AND FISHERIES

Part VII. Fish and Other Aquatic life

Chapter 1. Freshwater Sports and Commercial Fishing

§197. Crappie Regulations—Daily Take

A. Poverty Point Reservoir (Richland Parish)

1. Daily Limit—25 fish per person:

a. on water possession—same as daily limit per person.

B. Bayou D'Arbonne Lake (Union and Lincoln Parishes) including all areas between the Bayou D'Arbonne spillway structure and Gill's Ferry Landing on D'Arbonne Creek and Hogpen Landing on Corney Creek.

1. Daily Limit—50 fish per person, of which no more than 7 fish may exceed 12 inches total length:

a. on water possession—same as daily limit per person.

AUTHORITY NOTE: Promulgated in accordance with R.S. 56:325(C).

HISTORICAL NOTE: Promulgated in accordance with Department of Wildlife and Fisheries, Wildlife and Fisheries Commission, LR 30:2339 (October 2004), amended LR 38:2941 (November 2012), LR 39:1833 (July 2013), LR 40:2285 (November 2014), LR 48:

Family Impact Statement

In accordance with Act 1183 of 1999, the Department of Wildlife and Fisheries/Wildlife and Fisheries Commission hereby issue its Family Impact Statement in connection with the preceding Notice of Intent. This Notice of Intent will have no impact on the six criteria set out at R.S. 49:972(B).

Poverty Impact Statement

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

Small Business Analysis

This proposed Rule has no known impact on small businesses as described in R.S. 49:965.2 through R.S. 49:965.8.

Provider Impact Statement

This proposed Rule has no known impact on providers as described in HCR 170 of 2014.