

2020 Legislative Changes and 2020 Tax Changes

Presented by:

Policy Services Division

LOUISIANA DEPARTMENT OF REVENUE



The information in this presentation constitutes "informal advice" as contemplated by LA Administrative Code 61:III.101.D.3.

Agenda

- ▶ 2020 Income and Franchise Tax Changes
- ▶ Sales Tax Changes
- ▶ Excise/Severance/Miscellaneous Tax Changes
- ▶ Other Items

Corporation Income & Franchise Tax

PASS-THROUGH ENTITY TAX ELECTION

- ▶ Act 442 of the 2019 Regular Legislative Session, LAC 61:I.1001
- ▶ Revenue Information Bulletin 19-019
- ▶ The election allows Subchapter S corporations, and other flow-through entities taxed as partnerships for federal income tax purposes, to elect to pay Louisiana income tax at the entity level.
- ▶ An individual who is a shareholder, member, or partner of the entity is allowed to exclude the income that was taxed at the entity level that is included their federal adjusted gross income.
- ▶ Once the election is made, it is effective for the entire taxable year for which it was made as well as all subsequent taxable years until the election is terminated.

PASS-THROUGH ENTITY TAX ELECTION

- ▶ Election is made on Form R-6980, *Tax Election for Pass-Through Entities*,
 - ▶ must receive LDR acceptance of the election. Email Section732.2Election@la.gov.
- ▶ See Louisiana Administrative Code (LAC) 61:I.1001 for requirements to make the election.
- ▶ The election can be made:
 - ▶ during the taxable year prior to the taxable year in which the election is first effective,
 - ▶ during the taxable year in which the election is first effective, or
 - ▶ on or before the 15th day of the fourth month after the close of the taxable year in which the election is first effective.
- ▶ Check the box on CIFT 620, Line O and use Schedule J-1 to calculate the tax.

2020 Corporation Income & Franchise Tax

- ▶ **Address** – A new space has been provided for unit type, unit number, and foreign nation.
- ▶ **2015 Legislation Recovery** – 2019 was the last year eligible for the 2015 Legislation Recovery. (Acts 123 and 125 of 2015 Regular Session)
- ▶ **Louisiana Citizen Insurance Credit** – This credit is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. (R.S. 47:6025)
- ▶ **Loss Carryforward Utilized – Line 1C1** – Act 304 of the 2019 Regular Legislative Session reverted the order to use NOLs back to the oldest one first for tax years beginning on and after January 1, 2020. (R.S. 47:287.86)

2020 Corporation Income & Franchise Tax

SCHEDULE NRC-P1 – NONREFUNDABLE PRIORITY 1 CREDITS

- ▶ Credits no longer available because Act 403 of the 2017 Regular Legislative Session ended them effective December 31, 2019:
 - ▶ Nonviolent Offenders Credit
 - ▶ Credit for Contributions to Educational Institutions

2020 Corporation Income & Franchise Tax

SCHEDULE NRC-P3 – NONREFUNDABLE PRIORITY 3 CREDITS

▶ **New Jobs Credit – Code 224**

- ▶ This credit is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. If you have an eligible carryover amount, use this code to utilize the carryover amount for any years you have remaining in your five (5) year carryover period.

▶ **Eligible Re-entrants – Code 228**

- ▶ This credit is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. If you have an eligible carryover amount, use this code to utilize the carryover amount for any years you have remaining in your five (5) year carryover period.

2020 Corporation Income & Franchise Tax

SCHEDULE L – CALCULATION OF FRANCHISE TAX

Line 3 – House Concurrent Resolution No. 66 of the 2020 Regular Legislative Session and Act 15 of the 2020 First Extraordinary Legislative Session suspended the lower tier of the corporation franchise tax levied on domestic and foreign corporations.

- Act 15 supersedes and controls to the extent of any conflict between the Act and the provisions of House Concurrent Resolution No. 66.

The tax at \$1.50 on the first \$300,000 of taxable capital for taxpayers whose taxable capital is \$1 Million or less is suspended for certain franchise taxable periods. The taxable capital is the amount on CIFT 620, Schedule L, Line 1.

The periods that the first tier of the tax is suspended are:

- Franchise tax years for a 12-month period ending on December 31, 2021; January 31, 2022; February 28, 2022; March 31, 2022; April 31, 2022; or May 31, 2022.
- Franchise short period beginning on or after February 1, 2021, and before June 30, 2021 and the ending on or after December 31, 2021, and before April 30, 2022.

2020 Corporation Income & Franchise Tax

SCHEDULE L – CALCULATION OF FRANCHISE TAX

Schedule L – Calculation of Franchise Tax	
1. Enter the amount from CIFT-620, Line 5C or Line 6, whichever is greater. Short period filers mark this box <input type="checkbox"/> and see the instructions.	
2. Enter the amount of Line 1 or \$300,000, whichever is less.	
3. Multiply the amount on Line 2 by \$1.50 for each \$1,000 or major fraction and enter the result. See instructions for the suspension of the low-tier of the tax.	
4. Subtract Line 2 from Line 1 and enter the result.	
5. Multiply the amount on Line 4 by \$3.00 for each \$1,000 or major fraction and enter the result.	
6. Add Lines 3 and 5. Round to the nearest dollar. Enter the result here and on CIFT-620, Line 7.	

Corporation Franchise Tax Initial Return

- Act 15 of the 2020 First Extraordinary Session suspended the initial franchise tax for franchise taxable periods beginning on July 1, 2020, through June 30, 2021.
- The date entered on Line 1a of Form R-6906A must fall within these dates for the tax to be suspended.
- If your tax is suspended, skip Lines 13 and 14 and enter a zero “0” on Line 15.
- Form 6906A still needs to be filed.
 - Form was updated with revision date of 8/20 and is posted on our website.
 - Starting in new year, use version dated 1/21.

Corporation Income & Franchise Tax

Delinquent Payment Penalty for Corporations

- Historically, the delinquent payment penalty for corporations was assessed beginning on the extended due date of the corporation income and franchise tax return.
- Revenue Information Bulletin No. 20-007 provided notice to taxpayers and practitioners of changes to the imposition of the delinquent payment penalty for corporations pursuant to LA R.S. 47:1602.
- Beginning with corporation income taxable periods beginning on or after January 1, 2019, and franchise taxable periods beginning on or after January 1, 2020, any delinquent payment penalties due will be assessed from the original due date of the corporation income and franchise tax return.

Income Tax Exclusion for Gubernatorial State of Emergency

- Act 358 of the 2017 Regular Session of the Louisiana Legislature provides for an exclusion from either gross income or adjusted gross income for compensation received by either a nonresident business or a nonresident employee for the performance of disaster or emergency-related work relating to critical infrastructure within the state during a declared state emergency.
- All registered businesses in the state who are requesting any nonresident business to perform disaster or emergency-related work relating to a declared emergency are required to provide written notice to the Department.
- Revenue Information Bulletins (RIB) are released requesting such notice.
 - *Tropical Storm Barry – RIB 19-011*
 - *Hurricane Laura and Tropical Storm Marco – RIB 20-019*
 - *Hurricane Delta- RIB 20-022*

2020 Individual Income Tax

2020 Individual Income Tax

▶ **Address** –

- ▶ New spaces have been provided for unit type and the unit number. For the unit type, use postal abbreviations such as APT, FL, STE, and RM.
- ▶ If you have a foreign address, enter the city name in the appropriate space. Follow the country's practice for entering the postal code and the name of the province, county, or state. Enter the foreign country name in the appropriate space. Don't abbreviate the country name.
- ▶ **2015 Legislation Recovery** – Tax year 2019 was the last year eligible for the 2015 Legislation Recovery. (Acts 109 and 125 of 2015 Regular Session)

2020 Individual Income Tax

- ▶ **Filing Status** – A new line has been provided for qualifying widow(er) to provide the name of the qualifying person if that person is not your dependent.

	Your Date of Birth	Spouse's Date of Birth	
FILING STATUS: Enter the appropriate number in the filing status box. It must agree with your federal return.	6 EXEMPTIONS:		
Enter a "1" in box if single .	6A <input checked="" type="checkbox"/> Yourself	<input type="checkbox"/> 65 or older	<input type="checkbox"/> Blind
Enter a "2" in box if married filing jointly .		<input type="checkbox"/> 65 or older	<input type="checkbox"/> Qualifying Widow(er)
Enter a "3" in box if married filing separately .	6B <input type="checkbox"/> Spouse	<input type="checkbox"/> 65 or older	<input type="checkbox"/> Blind
Enter a "4" in box if head of household . If the qualifying person is not your dependent, enter name here. _____	Total of 6A & 6B <input type="checkbox"/>		
Enter a "5" in box if qualifying widow(er) . If the qualifying person is not your dependent, enter name here. _____			

2020 Individual Income Tax

- ▶ **Federal Income Tax Deduction** – Line 9 –
 - ▶ If a taxpayer claimed the foreign tax credit on their Federal Form 1040 or 1040-SR, they had the option to claim the Credit for Certain Federal Tax Credits or increase the federal income tax deduction by the amount of foreign tax credit claimed on their Federal Form.
 - ▶ This option is no longer available because the credit had a December 31, 2019 sunset date. (See slide #20)
- ▶ **2020 Louisiana Refundable School Readiness Credit** – Line 15 –
 - ▶ Starting with 2020, you must attach a copy of Form R-10614, *Louisiana School Readiness Tax Credit*, to your return.
- ▶ **Louisiana Citizen Insurance Credit** – This credit is no longer available because 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. (R.S. 47:6025)

2020 Individual Income Tax

▶ Consumer Use Tax

- ▶ Line 23
- ▶ Consumer Use Tax is 8.45 percent. (R.S. 47:302(K))
- ▶ Can also utilize the R-1035, Louisiana Consumer Use Tax Return.
 - ▶ *Return is year specific*
 - ▶ *Can be filed on LaTAP*
- ▶ Remote retailers are still required to send notice of purchases by January 31st each year.

2020 Individual Income Tax

SCHEDULE C – NONREFUNDABLE PRIORITY 1 CREDITS

Credits no longer available because Act 403 of the 2017 Regular Legislative Session ended them effective December 31, 2019:

- ▶ Credit for Certain Disabilities
- ▶ Credit for Contributions to Educational Institutions
- ▶ Credit for Certain Federal Tax Credits
- ▶ Commercial Fishing Credit
- ▶ Law Enforcement Education Credit
- ▶ First-Time Drug Offenders Credit
- ▶ Bulletproof Vest Credit
- ▶ Nonviolent Offenders Credit

2020 Individual Income Tax

SCHEDULE C – NONREFUNDABLE PRIORITY 1 CREDITS

SCHEDULE C – 2020 NONREFUNDABLE PRIORITY 1 CREDITS

1	CREDIT FOR TAX LIABILITIES PAID TO OTHER STATES – A copy of the return filed with the other states and Form R-10606 must be submitted with this schedule.	
1A	Enter the total of Net Tax Liability Paid to Other States from Form R-10606. ■	1A <input style="width: 100px;" type="text"/> .00
1B	Enter the Credit for Taxes Paid to Other States from Form R-10606. ■	1B <input style="width: 100px;" type="text"/> .00

Additional Nonrefundable Priority 1 Credits

Enter credit description and associated code, along with the dollar amount of credit claimed. *See the instructions.*

	Credit Description	Credit Code		Amount of Credit Claimed
2		<input style="width: 30px;" type="text"/>	2	<input style="width: 100px;" type="text"/> .00
3		<input style="width: 30px;" type="text"/>	3	<input style="width: 100px;" type="text"/> .00
4		<input style="width: 30px;" type="text"/>	4	<input style="width: 100px;" type="text"/> .00
5		<input style="width: 30px;" type="text"/>	5	<input style="width: 100px;" type="text"/> .00
6	TOTAL NONREFUNDABLE PRIORITY 1 CREDITS – Add Lines 1B, and 2 through 5. Also, enter this amount on Form IT-540, Line 12.		6	<input style="width: 100px;" type="text"/> .00

2020 Individual Income Tax

SCHEDULE C – NONREFUNDABLE PRIORITY 1 CREDITS

Small Town Health Professionals– Code 115

- ▶ Taxpayers must apply to the Louisiana Department of Health each year to qualify for that tax year.

The application is available on their website and can be completed online at www.ldh.la.gov or mailed to LDH. To qualify for 2020, taxpayers must apply during the application period of September 1, 2020, through October 31, 2020.

- ▶ A copy of the certificate letter from LDH must be attached to the return. The credit amount is listed on the certificate letter and is limited to tax.
- ▶ For more information, see Revenue Information Bulletin 18-028 and Louisiana Administrative Code (LAC) 61:I.1915. (R.S. 47:297(H))

2020 Individual Income Tax

SCHEDULE D – DONATION OF REFUND

Dreams Come True, Inc. – Line 18 –

Taxpayers may donate all or part of their refund to the Dreams Come True, Inc. for the purpose of fulfilling dreams of children with life-threatening illnesses. Visit www.dctbri.org for more information on the organization. (R.S. 47:120.141)

2020 Individual Income Tax

SCHEDULE E – ADJUSTMENTS TO INCOME

Add Back of Pass-Through Entity Loss, Line 2D, and Pass-Through Entity Exclusion, Code 24E

- ▶ Act 442 of the 2019 Regular Legislative Session
- ▶ The exclusion is for an individual who is a shareholder, member, or partner of an entity that made the pass-through entity tax election under R.S. 47:287.732.2.
 - ▶ The election allows S corporations, and other entities taxed as partnerships for federal income tax purposes, to pay Louisiana income tax at the entity level.
 - ▶ The entity must have received LDR's approval of the election.
- ▶ The amount excluded/added-back should be included in the amount on Schedule E, Line 1 (Federal AGI).
 - ▶ The excluded amount is the income that was taxed at the entity level that is included on Federal Form 1040 or 1040-SR.
 - ▶ The add-back amount is the Louisiana net operating loss that was reported at the entity level for this tax year that is included on the Federal Form 1040 or 1040-SR. You must also include any net operating losses carried forward from a tax year in which the election was made and utilized in this tax year.
- ▶ You can not exclude income not taxed at the entity level such as interest and dividend income.
- ▶ See Revenue Information Bulletin 19-019 and Louisiana Administrative Code (LAC) 61:I.1001(C)(4) for more information. (R.S. 47:297.14)

2020 Individual Income Tax

SCHEDULE F – REFUNDABLE PRIORITY 2 CREDITS

- ▶ **Credit for Amounts Paid by Certain Military Service members for Obtaining Louisiana Hunting and Fishing Licenses –**
 - ▶ This credit is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019.
- ▶ **School Readiness Child Care Directors and Staff – Code 66F**
 - ▶ The amount of the credit is adjusted each year if there is an increase in the Consumer Price Index Urban (CPI-U).
 - ▶ The credit amount for 2020 can be found at www.revenue.louisiana.gov/SchoolReadiness. (R.S. 47:6106)
 - ▶ Taxpayers must enter the facility license number from Form R-10615 on Line 6A and attach a copy of Form R-10615 to their return.
 - ▶ *Failure to do so will result in processing delays.*

2020 Individual Income Tax

SCHEDULE J – NONREFUNDABLE PRIORITY 3 CREDITS

- ▶ **2020 Louisiana Nonrefundable Child Care Credit – Line 2**
 - ▶ Starting with 2020, the Nonrefundable Child Care Credit Worksheet must be attached to the return if completed.
- ▶ **Child Care Credit Carried Forward From 2015 through 2019 – Line 3**
 - ▶ For the 2020 tax year, credits from 2015 through 2019 can be applied on Line 3.
 - ▶ Any remaining child care credit from 2014 cannot be applied to the 2020 tax liability. (R.S. 47:297.4)
- ▶ **2020 Louisiana Nonrefundable School Readiness Credit – Line 4**
 - ▶ Starting with 2020, the Nonrefundable School Readiness Credit Worksheet must be attached to the return if completed.
- ▶ **School Readiness Credit Carried Forward From 2015 through 2019 – Line 5**
 - ▶ For the 2020 tax year, credits from 2015 through 2019 can be applied on Line 5.
 - ▶ Any remaining credit from 2014 cannot be applied to the 2020 tax liability. (R.S. 47:6104)

2020 Individual Income Tax

SCHEDULE J – NONREFUNDABLE PRIORITY 3 CREDITS

▶ **Organ Donation – Code 202**

- ▶ This credit is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. If you have an eligible carryover amount, use this code to utilize the carryover amount for any years you have remaining in your ten (10) year carryover period.

▶ **Household Expense for Physically and Mentally Incapable Persons – Code 204**

- ▶ This credit is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. If you have an eligible carryover amount, use this code to utilize the carryover amount for any years you have remaining in your one (1) year carryover period.

▶ **Owner of Accessible and Barrier-free Home – Code 221**

- ▶ This credit is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. If you have an eligible carryover amount, use this code to utilize the carryover amount for any years you have remaining in your five (5) year carryover period.

▶ **New Jobs Credit – Code 224**

- ▶ This credit is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. If you have an eligible carryover amount, use this code to utilize the carryover amount for any years you have remaining in your five (5) year carryover period.

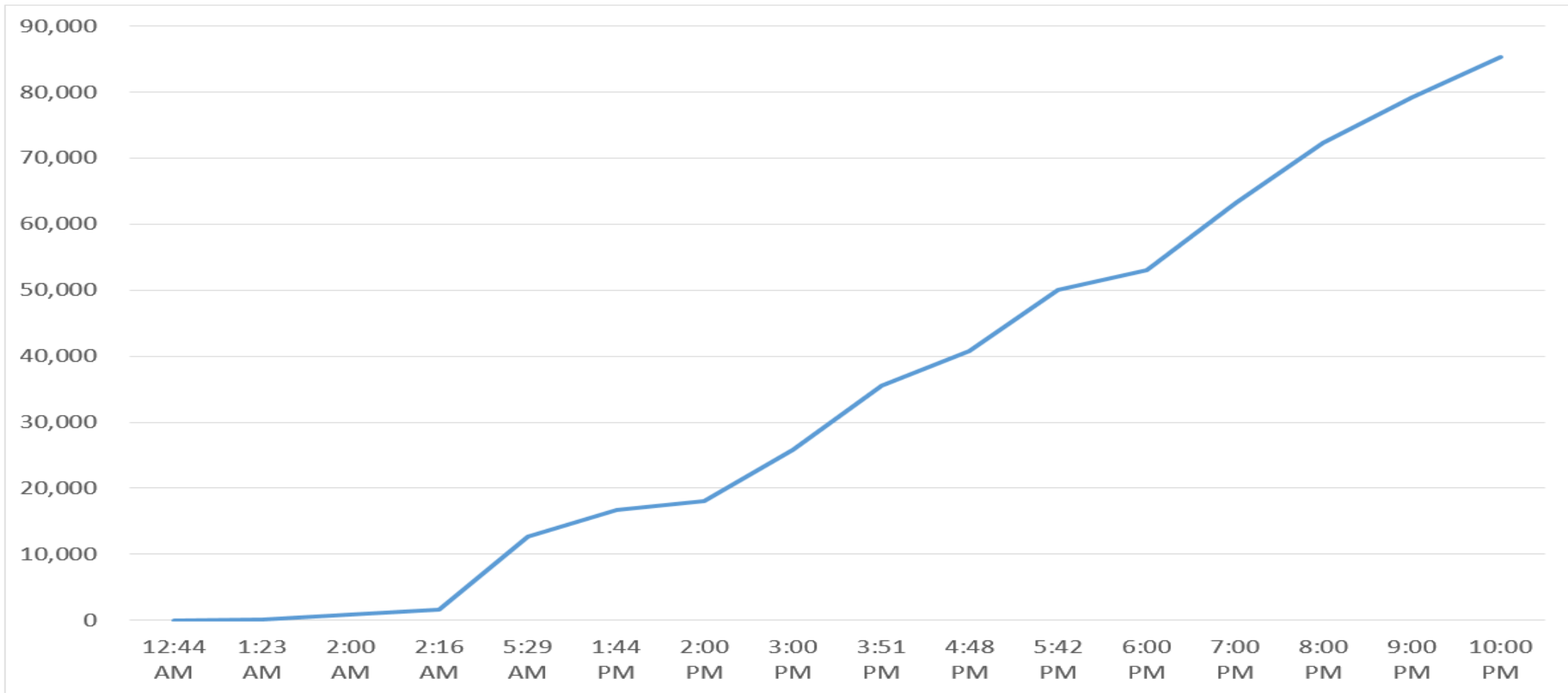
▶ **Eligible Re-entrants – Code 228**

- ▶ This credit is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. If you have an eligible carryover amount, use this code to utilize the carryover amount for any years you have remaining in your five (5) year carryover period.

Frontline Workers COVID-19 Hazard Pay Rebate Program

- Act 12 of the 2020 First Extraordinary Session of the Louisiana Legislature provides for a one-time hazard pay rebate of \$250 to essential critical infrastructure workers.
- Deadline to submit application was October 31, 2020.
- Effective Dec. 28, 2020, the distribution of rebate payments has ended. In compliance with state law, remaining rebate program funds have been reallocated to Louisiana's State Coronavirus Relief Fund.
- As of December 28, 2020, the additional information requested has not been provided to the Department and the program has no funding to pay additional rebates as all remaining money from this program has been returned to the State Coronavirus Relief Fund.
- Closed over 208,000 cases so far.
- As of 11/5/20:
 - 138,383 rebates have been generated.
 - 20,263 rebate application cases remaining to review.
 - 2,169 correspondence cases to review. (responses to our request for info)

Applications Received Day 1



2020 Second Extraordinary Session

Act 1 - Expands the Louisiana New Markets Jobs Act premium tax credit to certain recovery zones (SB 14)

Recovery zone" means any parish for which the FEMA has made a determination that the parish is eligible for both individual and public assistance under the declaration of major disaster for the state of Louisiana Docket Number FEMA-4559-DR.

Act 41 - Authorizes the Department of Economic Development to provide an extension for certain job creation requirements for enterprise zone incentives and quality jobs incentive rebates due to the impacts of COVID-19, Hurricane Laura, and Hurricane Delta. (SB 67)

2020 Second Extraordinary Session

Act 13 - COVID-19 Educational Expenses (HB 20)

IT-540 & IT-540B - Schedule E – code 26E

- Provides a deduction for expenses
 - *paid from March 13, 2020, through December 31, 2020, during the COVID-19 pandemic*
 - *for expenses for educational coaching services for an in-person facilitator*
 - *Facilitator of virtual education delivered by a public or approved nonpublic elementary or secondary school including any public elementary or secondary laboratory school operated by a public college or university.*
- The dependent must be claimed on your 2020 return or must have been claimed on your 2019 return.
- To calculate the amount of the deduction, use the 2020 Louisiana COVID-19 Educational Expenses Deduction Worksheet.

2020 Second Extraordinary Session

Act 13 - COVID-19 Educational Expenses (HB 20) continued

- Deduction is limited to expenses paid or \$5,000 per dependent, whichever is less.
- These expenses can not be used for:
 - Elementary and Secondary School Tuition Deduction
 - Educational Expenses for a Quality Public Education Deduction
 - Educational Expenses for Home-Schooled Children
 - Child Care Credit
- The "In-person facilitator":
 - is an individual that provided in-person instruction or assistance to one or more elementary or secondary school students.
 - must have been at least 18 years of age at the time the coaching services are provided or, if not 18 years of age at the time the services are provided, have graduated from high school.
 - cannot be the taxpayer, the taxpayer's spouse, the child of the taxpayer, the spouse of the taxpayer's children, the taxpayer's brothers, sisters or their spouses, the taxpayer's parents, or the parents of the taxpayer's spouse.

2020 Second Extraordinary Session

Act 60- COVID-19 Pandemic ATC License (SB 72)

- One-time refundable credit against income taxes for:
 - the amount for the 2020 annual state license or permit fees imposed by Alcohol and Tobacco Control ("ATC")
 - Paid by the owner or operator of a business such as a bar licensed to sell or serve alcoholic beverages for consumption on their premises by paying customers.
- For purposes of this credit, a business qualifies for the credit for the months they were not able to exercise their ATC permit to sell alcohol.
- Credit for income taxable periods beginning on January 1, 2020, through December 31, 2020.
- Credit may be limited to individual partner, member, or shareholder's proportionate share of the amount paid.

2020 Second Extraordinary Session

Act 60- Income tax credit for restaurants and bars affected by the COVID-19 pandemic (SB 72) continued

- Form R-90001, *COVID-19 Pandemic ATC License Income Tax Credit Worksheet*, will need to be completed for each location. This worksheet must be attached to each return claiming a share of the credit along with a schedule detailing each individual partner, member, or shareholder's proportionate share.
- The credit is equal to the amount of the annual state license or permit fee paid that is attributable to any calendar month, or fraction thereof, during 2020 that the permit holder was required to temporarily close operations pursuant to Proclamation Number 30 JBE 2020, or any subsequent proclamation declaring the existence of a statewide COVID-19 public health emergency.
- Report on Schedule F or Schedule RC-P2 using code 75F

2020 Second Extraordinary Session

Act 26- Modifies the definition of "federal income tax liability" to include certain federal net disaster losses (HB 89)

For taxable periods beginning after December 31, 2018, and before January 1, 2021, federal income tax liability shall be increased by the amount by which an individual's federal income tax due to the United States for the taxable period was decreased as a result of claiming the federal itemized deduction for certain net disaster losses attributable to Hurricane Laura or Hurricane Delta.

Act 26 – Income Tax Disaster Relief

Example: Married couple incurred \$35,000 of deductible net disaster losses from uninsured property damage caused by Hurricane Laura.

	Original 2019 Returns	Amended 2019 Returns	Decrease in Tax Liability
Federal			
Federal Adjusted Gross Income	75,000	75,000	
Standard Deduction (MFJ Filing Status)	(24,400)	-	
Itemized Deductions	-	(35,000)	
Taxable Income	50,600	40,000	
Federal Income Tax	5,681	4,409	(1,272)
Louisiana			
Federal Adjusted Gross Income	75,000	75,000	
Excess Federal Itemized Deduction	-	(10,600)	
Federal Income Tax Liability	(5,681)	(5,681)	
LA Tax Table Income	69,319	58,719	
LA Income Tax	2,095	1,665	(430)
Total Combined Tax Liability	7,776	6,074	(1,702)

New EID Deduction

Original FIT Deduction

2020 Second Extraordinary Session

Inventory Tax Credit and Ad Valorem Natural Gas Credit

Act 50 (SB 1)

For taxable years ending AFTER December 31, 2020, the carryforward period for the inventory tax credit increased from 5 years to 10 years

Effective January 1, 2021.

More guidance will be released

2020 Second Extraordinary Session

Inventory Tax Credit, Ad Valorem Natural Gas Credit, Ad Valorem Offshore Vessels Credit, and Telephone Company Property Credit

Act 56 (SB 52)

allows taxpayers who make payment of ad valorem taxes after December 31, 2020 and before April 16, 2021, to elect to treat these payments as having been made on December 31, 2020 for purposes of the credit.

Taxpayers making this election must submit a schedule showing the ad valorem tax payments, the actual payment date of each payment and a statement that they elect these taxes to be treated as paid on December 31, 2020.

2020 Second Extraordinary Session

Inventory Tax Credit and Ad Valorem Natural Gas Credit

Act 59 (SB 62)

- For 2020 tax year only
- Taxpayers, including members included in a consolidated federal tax return that are treated as one taxpayer, who employed a minimum of 100 full-time employees at each location in the state for whom withholding tax was remitted to LDR for at least one month within each of the first three quarters of calendar year 2020.
- If the total amount eligible for the credit is less than or equal to \$1 Million, 100% of any excess credit is refundable.
- This does not apply any manufacturer who claimed the property tax exemption under ITEP during the same year the inventory taxes were paid.

2020 Second Extraordinary Session

Inventory Tax Credit and Ad Valorem Natural Gas Credit

Act 59 (SB 62) continued

- Form R-10610 has special instructions for those qualifying under this provision along with a box on the form that needs to be checked to indicate qualification.
- You must attach:
 1. a schedule that includes a list of all locations within the state along with the LDR account number the withholding tax is paid under
 2. for each full-time employee:
 1. list their name,
 2. address,
 3. last four digits of their Social Security Number,
 4. their work location, and
 5. the amount of Louisiana withholding tax remitted on their behalf for each month from January 2020 through September 2020.

What returns can be electronically filed?

- ▶ Individual Income
- ▶ Corporation Income & Franchise
- ▶ Partnership
 - ▶ Some partnerships are not required to have an LDR account number and thus, will not have one to file the partnership return either on paper or electronically. The FEIN is required.
- ▶ Composite Partnership
- ▶ Starting with the 2020 return, Fiduciary tax returns can be electronically filed.

Type of Return	Paper Extension or Electronic Filing	Due date for Filing
Individual	<p>Individuals may request extension by submitting Form R-2868, a paper copy of the taxpayer's IRS form requesting an extension to file a federal income tax return, electronically at www.revenue.louisiana.gov/fileonline or www.revenue.louisiana.gov/extensions; calling LDR's IVR phone system, or electronically by software.</p> <p>LAC 61:III.2501 - requires the electronic filing of a request for an extension to file an individual income tax return by tax preparer subject to the electronic filing mandate under LAC 61:III.1501.B.</p>	5/15/2021
Corporation	<p>Must be submitted electronically by software or electronically at: https://esweb.revenue.louisiana.gov/OnlineTaxExtensions/CorporateTaxExtension.aspx</p>	5/15/2021
S Corporation	<p>Must be submitted electronically by software or electronically at: https://esweb.revenue.louisiana.gov/OnlineTaxExtensions/CorporateTaxExtension.aspx</p>	5/15/2021
Partnership	<p>If an extension of time has been filed for the Federal return, you do not need to apply for a separate extension for Louisiana return. LDR will recognize and accept the Federal extension. A copy of the Federal extension should be attached to the Louisiana return. If you do not have a Federal extension, paper form R-6463(1/18) should be filed with LDR with the return.</p>	4/15/2021
Composite Partnership	<p>Must be submitted electronically by software or electronically at: https://esweb.revenue.louisiana.gov/OnlineTaxExtensions/CompositePartnershipTaxExtension.aspx</p>	5/15/2021
Fiduciary	<p>Must be submitted electronically by software or electronically on LATAP.</p>	5/15/2021

Electronic Filing Mandates

- ▶ LAC 61:I.1515- Withholding Tax Statements and Return
 - ▶ Employers filing 50 or more Form W-2s are required to file Form W-2s and any information returns electronically.
- ▶ LAC 61:1.1503- Corporation Franchise Tax Returns and LAC 61:1.1505- Corporation Income Tax Returns
 - ▶ Must file electronically, if total assets which have an absolute value equal to or greater than \$250,000
 - ▶ *Total assets as reported on Line F of CIFT 620*

Electronic Filing Mandates

- ▶ LAC 61:1.1507- Partnership Returns
 - ▶ Must file electronically if total assets which have an absolute value equal to or greater than \$250,000
 - ▶ *Total assets as reported on Line F of IT-565*
- ▶ LAC 61:1.1509- Fiduciary Income Tax Returns
 - ▶ Must file electronically, for income tax periods beginning
 - ▶ *1/1/2019 - if return is filed with more than 10 Schedules K-1 attached*
 - ▶ RIB 20-006 - Waiver of Electronic Filing Mandate for Fiduciary Income Tax Extensions and Fiduciary Income Tax Returns for Tax Year 2019
 - ▶ *1/1/2020- if return is filed with 1 or more Schedules K-1 attached*

Electronic Filing Mandates



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- Louisiana File Online
- Corporation E-file
- Individual Income and Corporate Tax Bulk Extensions
- Filing Deadlines
- Other e-Services
- Download & Print Tax Forms

If you are a tax preparer in a federally declared disaster area, click [this link](#) to submit information that will make your clients eligible for filing and payment extensions.

If you need to contact The Department of Revenue, please use the links below:

- Technical Support
- Contact Us

Electronic Services for Tax Preparers

- Tax Practitioner Email Inquiries
- eFax Number for Tax Preparers
- Individual Income and Corporate Tax Bulk Extensions
- **Electronic Filing and Payment Mandates**
- Requirement for Tax Preparers to File Income Tax Returns Electronically
- Corporation EFile Program

Motion Picture Credit Caps

- ▶ FY 2020-2021 credit cap has not been reached as of 12/31/2020.
- ▶ See www.revenue.louisiana.gov/CreditCaps for monthly updates.

Other Credit Caps

▶ Owner of Accessible and Barrier-free Home

- ▶ Total amount of credits granted in any taxable year is limited to \$500,000 and the credits will be granted on a first-come, first-serve basis. Any taxpayer who claims the credit in a calendar year in which the \$500,000 annual cap has been exceeded may claim the credit on their income tax return in the next calendar year and the claim will have priority over other claims after the date the original claim was made.
- ▶ For period of 1/1/2020-10/31/2020, \$5,000 in credits were approved.

▶ Small Town Health Professionals

- ▶ LDR is only authorized to grant \$1.5 million worth of credit claimed on returns received in any calendar year. The credits will be granted on a first-come, first-serve basis. If the aggregate amount of the claims received on the same business day exceeds the total amount of available tax credits, the credits will be approved on a pro rata basis. In such instance, taxpayers limited by the credit cap provisions are only eligible for only the pro rata share of their credit.
- ▶ For period of 1/1/2020-10/31/2020, \$708,248 in credits were approved.

COVID/Disaster Extensions for Tax Year 2019

1. Extension granted under RIB 20-009. Per RIB 20-009, for fiscal year filers with an income tax or franchise tax return and payment due date between March 1 and May 30, 2020, the automatic extension for the return and payment is sixty days from the original due date. Per RIB 20-014, the July 15, 2020 due date was extended to July 17, 2020.
2. Extension granted under RIB 20-021 for parishes declared federal disaster areas following Hurricane Laura. An extension for calendar year 2019 filers was granted to December 31, 2020 regardless of requesting an extension.
3. Extension to file ONLY was granted under RIB 20-027 for parishes approved for Individual Assistance and Public Assistance by FEMA for Hurricane Delta.

COVID/Disaster Extensions

Individual Income, Fiduciary, Composite

Filing period	Original due date	COVID-19 extended due date ¹	extended due date if an extension is requested	extended due date if in Laura disaster area, for file and pay if not stated otherwise (effected dates are highlighted) ²	extended due date if in Delta disaster area (effected dates text are in purple) ³
11/30/2019	4/15/2020	6/14/2020	10/15/2020	12/31/2020 to file only	2/17/21 to file only
12/31/2019	5/15/2020	7/17/2020	11/15/2020	12/31/2020 to file only	2/17/21 to file only
1/31/2020	6/15/2020	N/A	12/15/2020	N/A	2/17/21 to file only
2/29/2020	7/17/2020	N/A	1/15/2021	N/A	2/17/21 to file only
3/31/2020	8/15/2020	N/A	2/15/2021	N/A	2/17/21 to file only
4/30/2020	9/15/2020	N/A	3/15/2021	12/31/2020	N/A
5/31/2020	10/15/2020	N/A	4/15/2021	12/31/2020	2/17/21 to file & request extension
6/30/2020	11/15/2020	N/A	5/15/2021	N/A	2/17/21 to file & request extension
7/31/2020	12/15/2020	N/A	6/15/2021	N/A	2/17/21 to file & request extension
8/31/2020	1/15/2021	N/A	7/15/2021	N/A	2/17/21 to file & request extension
9/30/2020	2/15/2021	N/A	8/15/2021	N/A	2/17/21 to file & request extension

COVID/Disaster Extensions

Corporate Income and Franchise Tax

Filing period	Original due date	COVID-19 extended due date ¹	extended due date if an extension is requested	extended due date if in Laura disaster area, for file and pay if not stated otherwise (effected dates are highlighted) ²	extended due date if in Delta disaster area (effected dates text are in purple) ³
10/31/2019	3/15/2020	5/14/2020	10/15/2020	12/31/2020 to file only	2/17/21 to file only
11/30/2019	4/15/2020	6/14/2020	11/15/2020	N/A	2/17/21 to file only
12/31/2019	5/15/2020	7/17/2020	12/15/2020	12/31/2020 to file only	2/17/21 to file only
1/31/2020	6/15/2020	N/A	1/15/2021	N/A	2/17/21 to file only
2/29/2020	7/17/2020	N/A	2/15/2021	N/A	2/17/21 to file only
3/31/2020	8/15/2020	N/A	3/15/2021	N/A	N/A
4/30/2020	9/15/2020	N/A	4/15/2021	12/31/2020	N/A
5/31/2020	10/15/2020	N/A	5/15/2021	12/31/2020	2/17/21 to file & request extension
6/30/2020	11/15/2020	N/A	6/15/2021	N/A	2/17/21 to file & request extension
7/31/2020	12/15/2020	N/A	7/15/2021	N/A	2/17/21 to file & request extension
8/31/2020	1/15/2021	N/A	8/15/2021	N/A	2/17/21 to file & request extension
9/30/2020	2/15/2021	N/A	9/15/2021	N/A	2/17/21 to file & request extension

COVID/Disaster Extensions

CIFT- Nonprofit

Filing period	Original due date	COVID-19 extended due date ¹	extended due date if an extension is requested	extended due date if in Laura disaster area, for file and pay if not stated otherwise (effected dates are highlighted) ²	extended due date if in Delta disaster area (effected dates text are in purple) ³
9/30/2019	3/15/2020	5/14/2020	10/15/2020	12/31/2020 to file only	2/17/21 to file only
10/31/2019	4/15/2020	6/14/2020	11/15/2020	12/31/2020 to file only	2/17/21 to file only
11/30/2019	5/15/2020	7/17/2020	12/15/2020	N/A	2/17/21 to file only
12/31/2019	6/15/2020	7/17/2020	1/15/2021	12/31/2020 to file only	2/17/21 to file only
1/31/2020	7/17/2020	N/A	2/15/2021	N/A	2/17/21 to file only
2/29/2020	8/15/2020	N/A	3/15/2021	N/A	N/A
3/31/2020	9/15/2020	N/A	4/15/2021	12/31/2020	N/A
4/30/2020	10/15/2020	N/A	5/15/2021	12/31/2020	2/17/21 to file & request extension
5/31/2020	11/15/2020	N/A	6/15/2021	N/A	2/17/21 to file & request extension
6/30/2020	12/15/2020	N/A	7/15/2021	N/A	2/17/21 to file & request extension
7/31/2020	1/15/2021	N/A	8/15/2021	N/A	2/17/21 to file & request extension
8/31/2020	2/15/2021	N/A	9/15/2021	N/A	2/17/21 to file & request extension

COVID/Disaster Extensions

Partnership

Filing period	Original due date	COVID-19 extended due date ¹	extended due date if an extension is requested	extended due date if in Laura disaster area, for filing (effected dates are highlighted) ²	extended due date if in Delta disaster area (effected dates text are in purple) ³
12/31/2019	4/15/2020	7/17/2020	10/15/2020	12/31/2020 to file only	2/17/21 to file only
1/31/2020	5/15/2020	7/14/2020	11/15/2020	N/A	2/17/21 to file only
2/29/2020	6/15/2020	N/A	12/15/2020	N/A	2/17/21 to file only
3/31/2020	7/17/2020	N/A	1/15/2021	N/A	2/17/21 to file only
4/30/2020	8/15/2020	N/A	2/15/2021	N/A	2/17/21 to file only
5/31/2020	9/15/2020	N/A	3/15/2021	12/31/2020 to file only	N/A
6/30/2020	10/15/2020	N/A	4/15/2021	12/31/2020 to file only	2/17/21 to file & request extension
7/31/2020	11/15/2020	N/A	5/15/2021	N/A	2/17/21 to file & request extension
8/31/2020	12/15/2020	N/A	6/15/2021	N/A	2/17/21 to file & request extension
9/30/2020	1/15/2021	N/A	7/15/2021	N/A	2/17/21 to file & request extension
10/31/2020	2/15/2021	N/A	8/15/2021	N/A	2/17/21 to file & request extension

First and Second Quarter 2020 Declaration Payments

Revenue Ruling 20-002

- Individuals are required by statute to file and pay declarations of estimated income tax.
- Declarations are required if the Louisiana individual income tax liability can reasonably be expected to exceed \$1,000 after deducting all allowable credits.
- For the 2020 tax year, generally, the first declaration payment is due on or before April 15, 2020, and the second declaration payment is due on or before June 15, 2020.
- If an individual is required to pay declarations of estimated tax, but fails to do so, the Underpayment of Estimated Tax ("UET") penalty is added to the tax due.

First and Second Quarter 2020 Declaration Payments

There is no mechanism or authority for the Secretary to extend the statutory due date of declaration payments for individuals.

However, for the 2020 tax year, the Secretary may waive the UET penalty if the taxpayer requests a waiver by May 17, 2022 (one year after the statutory due date of the return) and the taxpayer has acted in good faith in failing to make estimated payments.

The Secretary may presume the taxpayer acted in good faith if the failure to make estimated payments was attributable to extraordinary circumstances beyond the individual's control.

First and Second Quarter 2020 Declaration Payments

Since taxpayers were not able to visit their tax preparers to prepare 2019 individual tax returns, they cannot base their 2020 declaration payments on prior year's income or liability.

Therefore, in consideration of these extraordinary circumstances, the Department shall automatically waive any UET penalty otherwise due for the April 15 and June 15, 2020 declaration payments provided the following criteria are met:

1. The taxpayer pays the April 15 and June 15, 2020, declaration payments timely.
2. The amount paid on the April 15, 2020, declaration payment is at least 90% of the amount paid on the April 15, 2019, declaration payment.
3. The amount paid on the June 15, 2020, declaration payment is at least 90% of the amount paid on the June 17, 2019, declaration payment.

State Tax Implications on the CARES Act Net Operating Loss Provisions

Under the CARES Act , NOLs arising in tax years beginning after December 31, 2017, and before January 1, 2021 (e.g., NOLs incurred in 2018, 2019, or 2020 by a calendar-year taxpayer) may be carried back to each of the five tax years preceding the tax year that generated the loss.

Prior to the CARES Act, NOLs for tax years beginning after December 31, 2017, could not be carried back but could be carried forward indefinitely, and NOL usage was limited to 80% of taxable income.

The CARES Act temporarily removed the 80% limitation, reinstating it for tax years beginning after December 31, 2020. As a result of changes under the CARES Act, taxpayers with eligible NOLs may now be able to amend their federal return for prior years and request a refund.

State Tax Implications on the CARES Act Net Operating Loss Provisions

Guidance for Individual Filers

Louisiana piggybacks federal treatment of NOLs for individual income tax purposes because business losses such as NOLs are included in an individual's federal adjusted gross income.

If an individual carries back an NOL on a federal return, the individual shall also amend their state income tax return to correct the federal adjusted gross income and the federal income tax deduction. Nonresident individuals shall carryback and carryforward NOLs in accordance with Department regulations.

If an individual has an overpayment attributable to a NOL carryback, the individual has three years from December 31st of the year in which the tax for the loss year would become due. Therefore, the individual would be allowed to amend their return and claim a refund for the overpayment due to the NOL carryback on an otherwise closed tax year.

**Guidance is pending.

State Tax Implications on the CARES Act Net Operating Loss Provisions

Example:

Taxpayer A is a resident individual with a tax year 2019 NOL of \$150,000.

Under the CARES Act NOL provisions, Taxpayer A elects to carryback the NOL to federal returns for tax years 2014, 2015, 2016, 2017 and 2018 until the NOL is fully utilized.

Taxpayer A filed returns and paid taxes due timely for tax years 2014 – 2018. Because claims for refund of Louisiana taxes prescribe three years from December 31st of the year in which the tax became due or after one year from the date the tax was paid, tax years 2014 and 2015 are prescribed for Louisiana income tax purposes.

Since the overpayment is a result of a NOL carryback, Taxpayer A can amend tax years 2014 and 2015 to correct the federal adjusted gross income and the federal income tax deduction to claim a refund for the utilization of the NOL.

Taxpayer A will have until December 31, 2023 to file amended returns for utilization of the NOL carryback from 2019.

Sales Tax & Remote Sellers

Increase to State Sales Tax Deduction for Vendor's Compensation

Act 27 of 2020 First Extraordinary Session

Revenue Information Bulletin 20-015

- Increases the current rate of Vendor's Compensation from .935% to 1.05% of the total amount of sales and use taxes due. Effective August 1, 2020.
- Vendor's Compensation is only allowed if the dealer timely files the sales and use tax return and timely pays the tax due.
- The maximum amount of the aggregate state compensation paid to a dealer is still \$1,500 per calendar month. The maximum is applied per dealer, even if a dealer operates one or more business locations within Louisiana.
- The calculation of Vendor's Compensation is based only on the taxes levied pursuant to R.S. 47:302, 321, 331, and 51:1286.

No Vendor's Compensation is allowed for taxes accounted for and remitted pursuant to R.S. 47:321.1 or any other sales tax levied by this state.

Sales & Use Tax Rebate for Fiber-Optic Cable Equipment

Act 35 of 2020 First Extraordinary Session

Statute: R.S. 47:305.73

- Effective July 1, 2020
- Provides for a state and local sales and use tax rebate on the purchase of equipment used to distribute fixed and mobile broadband networks to eligible, rural, unserved areas.
- The Federal Communications Commission has established the Rural Digital Opportunity Fund in order to provide high speed fixed broadband service to rural homes and small businesses that lack it.
- These unserved areas have been divided into geographic census blocks to be bid upon by companies willing to establish the necessary infrastructure to increase service.

Sales & Use Tax Rebate for Fiber-Optic Cable Equipment continued

- The companies who are “winning bidders” are eligible for a 50 percent rebate on state and local sales and use tax paid on qualifying fiber-optic equipment.
- In order to qualify for this rebate, the winning bidder must have purchased the qualifying fiber optic equipment for the purpose of providing broadband networks to the designated census block.
- The equipment must not have been purchased by federal or state funds, unless those funds have been reported as taxable income or structured as repayable loans by the winning bidder.

Sales & Use Tax Rebate for Fiber-Optic Cable Equipment continued

- Qualifying “Fiber-Optic Equipment” includes: (1) Telecommunications fiber; (2) Wires; (3) Poles; (4) Supports; (5) Lashing Cable; (6) Conduit; (7) Communication Handholes; and (8) Customer Premise Equipment.
- The winning bidder must submit a rebate form to LDR, along with the required additional documentation.
- A winning bidder is allowed only one rebate per purchase of equipment.
- The rebate does not apply in the event the purchased equipment is resold.

R-83000 (8/20)

LOUISIANA DEPARTMENT of REVENUE	FIBER OPTIC CABLE REBATE	Louisiana Department of Revenue Taxpayer Compliance Division-SSEW P.O. Box 66362 Baton Rouge, LA 70896-6362 Phone: (225) 219-2270 Email: LDRTax.Refunds@LA.gov
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Taxpayer Legal Name (If taxpayer is corporation, enter corporation name)	Louisiana Sales Tax Account Number
Taxpayer Trade Name	Business Activity/NAICS Code

Sales Tax Holiday

Act 16 of 2020 Second Extraordinary Session

Statute: R.S. 47:305.74

Revenue Information Bulletin 20-023

- A one time State sales tax holiday on the first \$2,500 of the sales price of any consumer purchases of tangible personal property that occurred on Friday, Nov. 20, 2020, and Saturday, Nov. 21, 2020.
- Purpose was to provide tax relief for citizens recovering from Hurricane Laura, Hurricane Delta, and the COVID-19 pandemic.
- Excluded:
 - *motor vehicle purchases*
 - *purchases of meals eaten where purchased or to-go*
 - *the rental or lease of tangible personal property or the taxable sales of services enumerated in LA R.S. 47:301(14).*
 - *business or commercial purchases of tangible personal property.*
- Did not apply to local sales and use taxes.

Sales Tax Holiday continued

The following activities were eligible for the sales tax holiday:

- (1) buying and accepting delivery of tangible personal property;
- (2) placing tangible personal property on layaway;
- (3) making final payment on tangible personal property previously placed on layaway;
- (4) ordering tangible personal property, even if delivery must be delayed, provided that the customer has not requested delayed shipment;
- (5) title to or possession of eligible tangible personal property is transferred from a selling dealer to a purchaser;
- (6) eligible purchases during the holiday with "rain checks" issued before or during the two-day holiday (but not purchases made after the holiday with "rain checks" issued during the holiday).

Peer to Peer Vehicle Sharing Platforms

Act 278 of the 2020 Regular Session enacted R.S. 47:301(4)(n), declaring those operating peer-to-peer vehicle sharing programs are dealers. R.S. 47:301(4)(n) states:

... Dealer is further defined to mean...

(n)(i) Any person who operates, maintains, or facilitates a peer-to-peer vehicle sharing program and collects any amount required to be paid as part of a vehicle sharing program agreement whereby a shared vehicle owner leases or rents a shared vehicle to a shared vehicle driver in this state.

Peer to Peer Vehicle Sharing Platforms

- A peer-to-peer vehicle sharing program is a business platform that connects a shared vehicle owner with a shared vehicle driver to enable the sharing of vehicles for financial consideration.
- A shared vehicle is a vehicle that is available for sharing through a peer-to-peer vehicle sharing program.
- A shared vehicle owner is the registered owner of a shared vehicle.
- A shared vehicle driver is a person who has been authorized to drive the shared vehicle by the shared owner under a vehicle sharing program agreement that governs the use of the shared vehicle through the peer-to-peer vehicle sharing program.
- R.S. 47:551(B)(2) requires peer-to-peer vehicle sharing programs to electronically remit all automobile rental taxes collected.
- Effective January 1, 2021.

Peer to Peer Vehicle Sharing Platforms

Thus,

- When a peer-to-peer vehicle sharing program is used to rent a vehicle prior to January 1, 2021, the vehicle owner is responsible for collecting all sales and automobile rental taxes derived from the rental.
 - These taxes must be remitted electronically.
- When a peer-to-peer vehicle sharing program is used to rent a vehicle on or after January 1, 2021, the peer-to-peer vehicle sharing program is considered a dealer and is responsible for the collection of all sales and automobile rental taxes derived from the rental.
 - The taxes collected by the peer-to-peer vehicle sharing program are required to be remitted electronically.

Certain Wine Direct Shippers Required to Register with the Louisiana Sales and Use Tax Commission for Remote Sellers

Revenue Information Bulletin 20-018

Out-of-state wine producers, manufacturers, and retailers who sell and ship wine directly to a consumer in Louisiana (“Wine Direct Shippers”) who meet the economic nexus threshold of more than \$100,000 in sales or 200 or more transactions must register with the Commission.

Remote Sellers

- Remote Sellers Information Bulletin No. 20-002

Effective Date for Remote Seller Registration and Collection of State and Local Sales and Use Tax at Actual Rates

- LAC 61:III.2901 and 2903

Adopted rule to provide general definitions as well as to define the types of policy statements and guidance to communicate the commission's position and to ensure the correct, consistent and fair enforcement of tax laws. Effective Date: January 20, 2020

- LAC 61:III.1537 and 1538

Adopted rule to provide mandatory electronic filing and payment requirements for the remote sellers tax return. Effective Date: January 20, 2020

Marketplace Facilitators

Act 216 2020 Regular Session

Statute: R.S. 47:340.1

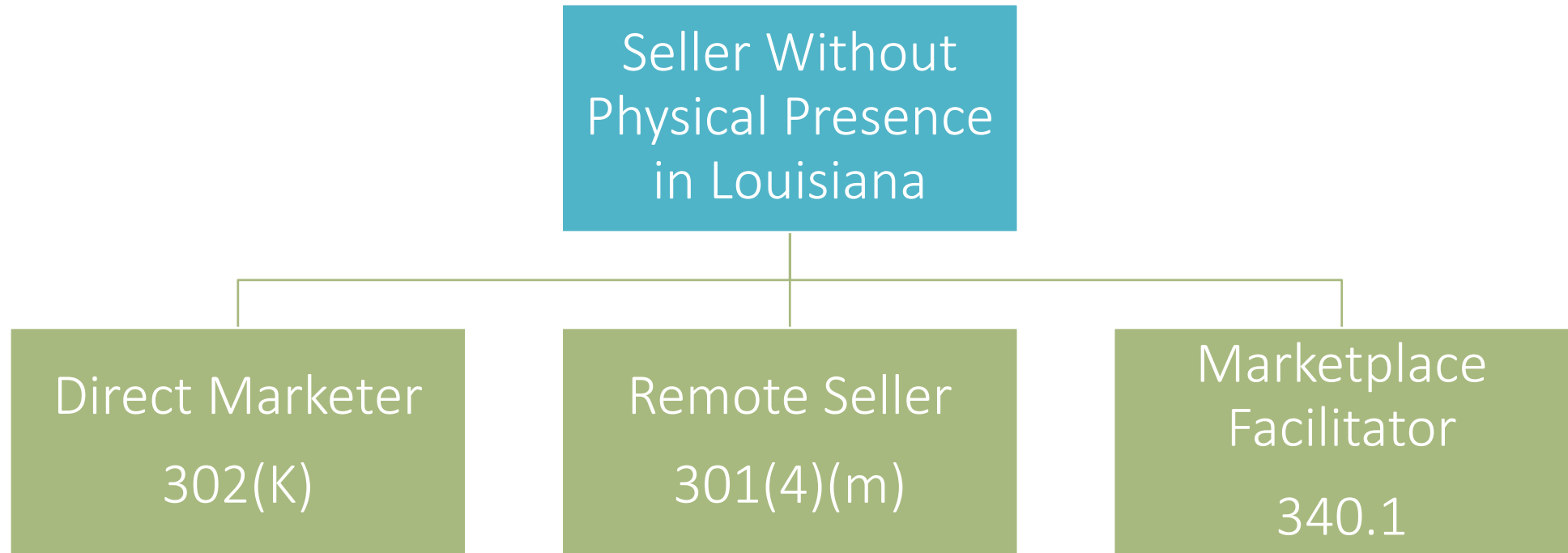
Remote Seller Information Bulletin 20-003, Registration and Collection of Sales and Use Tax by Marketplace Facilitators.

- Provides definitions for
 - Marketplace
 - Marketplace facilitator (including exclusions)
 - Marketplace seller
 - Remote sale and seller
- Requires marketplace facilitators to collect state and local sales tax on direct sales and third party sales
 - Collection requirement is based on whether economic nexus thresholds are met

Marketplace Facilitators

- Limits liability of marketplace facilitators
 - Audit protection
 - Class action protection
- Provides for tax return and other administrative provisions
 - Includes clean up provisions for remote sellers in general (interest, penalties, and vendor's compensation)

Status of Out of State Sellers



Effective July 1, 2020

Excise/Severance/ Miscellaneous Taxes

Industrial Hemp-Derived CBD Tax

Act 344 of 2020 Regular Session

- ▶ Requires remote industrial hemp-derived CBD retailers to obtain a permit from the Office of Alcohol and Tobacco Control (ATC) for each separate domain name
- ▶ Requires the Secretary of the Department of Revenue to order the Commissioner of ATC to suspend an industrial hemp-derived CBD retailer's permit for failure to timely file and pay the industrial hemp-derived CBD excise tax until all returns have been filed and taxes paid

Electronic Filing and Payment Mandates

LAC 61:III.1535 and 1536-

Tax periods beginning on or after January 1, 2020

Industrial Hemp-Derived CBD Tax

LAC 61:III.1539-1546-

Tax periods beginning on or after April 1, 2021

(In process)

Alcoholic Beverage

State and Parish and Municipal Beer

Return for Wines Shipped Direct to Consumers

Hazardous Waste Disposal

Transportation and Communication Utilities

Inspection and Supervision Fee

Administrative

Board of Tax Appeals

Act 287 of 2020 Regular Session

- ▶ Authorizes any collector, taxpayer or other aggrieved party to file a petition with the Board of Tax Appeals (BTA) relative to any matter within its jurisdiction
- ▶ Provides that the 30-day period for appeal from the BTA begins from the date of mailing of a judgment
 - ▶ the date of hand delivery is deemed the "date of mailing" if the judgment is hand delivered in lieu of mailing

Late Payment Penalty

Act 348 of 2020 Regular Session

- ▶ Late payment penalty on additional tax due
 - ▶ Imposed when LDR determines that taxpayer owes more than amount reported
 - ▶ Penalty is $\frac{1}{2}$ of 1% from the date of notice and demand of the additional amount due.
 - ▶ Calculated from the 31st day after date of proposed assessment

Ex.: Taxpayer files a return reporting a liability of \$100 and remits payment of \$100. During an audit, it is discovered that the taxpayer actually owes \$200 for that period. A penalty of $\frac{1}{2}$ of 1% is imposed on the additional \$100.

Penalty Provisions

Act 348 of 2020 Regular Session – Effective January 1, 2021

False or Fraudulent Return Penalty

- ▶ Increased from 50% to 75%.

Negligence/Accuracy-Related Penalty

- ▶ Negligent failure to comply with the tax laws or the rules and regulations of the Department is increased from 10% to 20%.
 - ▶ “Negligent failure” is defined as any failure to make a reasonable attempt to comply with, or a careless or reckless disregard of the tax laws.
 - ▶ Creates a presumption that the penalty applies when the taxpayer understates tax liability by 10% or more, but there is no willful disregard. However, this penalty will not apply when the understatement is due to reasonable cause where the taxpayer acted in good faith.

Penalty Provisions continued

Large deficiency penalty

- ▶ Reduced from a maximum 20% to a maximum 10%
- ▶ Removes willful intent to disregard the law as a basis for these penalties

Willful disregard of the tax laws

Penalty of 40% for the willful disregard of the tax laws

- ▶ “Willful disregard” is defined as voluntarily and intentionally acting in violation of the tax
- ▶ Willful disregard is presumed when the taxpayer fails to remit tax that has been withheld or collected from others (sales tax, withholding tax, motor fuel tax).

Act 348 – Refund Interest

Statute: R.S. 47:1624

Refund interest

Increased to match delinquent interest rate

Effective January 1, 2022

Refund interest on severance tax overpayments

First 180 days

No change

Days in excess of first 180

Increased to match delinquent interest rate

Effective January 1, 2022

Requires the suspension of interest on refunds for any period of time in which the delay is attributable to the taxpayer's failure to provide information or documentation required by statute or regulation. Effective January 1, 2021.

COVID-19 Relief

Act 31 of 2020 1st Extraordinary Session

- ▶ Provides interest and penalty relief for taxpayers who were diagnosed with COVID-19, or whose tax preparer was diagnosed with COVID-19, between March 11, 2020, and July 15, 2020
- ▶ The relief must be requested and is limited to returns and payments with original due dates between March 11, 2020 and July 15, 2020
- ▶ The only penalties eligible for waiver are late filing, late payment and underpayment of tax
- ▶ Returns and payments must be submitted by November 15, 2020 to be eligible for the waiver
- ▶ If the taxpayer cannot remit the full amount due by November 15th, a waiver will be granted if the taxpayer submits and enters into a formal installment agreement by November 15th

Filing and Payment Extensions

Extensions of time may be granted for the filing of certain returns and payments of tax due under Title 47 for good cause shown. Written request by taxpayer is required.

- The extensions cannot exceed:
 - 6 months for income and franchise taxes,
 - 1 month for sales taxes and
 - 2 months for other taxes.
 - Interest accrues on the tax during the period of the extension.
- Additional general extension provisions in law (no change)
 - Franchise Tax filing extension for 7 months under R.S. 47:612
 - Corporation Income Tax filing extension for 7 months under R.S. 47:287.614
 - Other income taxes, filing extension for 6 months under R.S. 47:103(D)

Filing and Payment Extensions Cont.

Act 47 of 2020 Regular Session. Effective June 4, 2020.

Expands authority of the Secretary to grant filing and payment extensions

- Gubernatorial declared disaster or emergency
 - 6 calendar months for income and franchise taxes
 - 3 calendar months for all other taxes, fees, or service charges collected by LDR
 - Interest accrues during the period of extension
- Presidentially declared disaster or emergency
 - 6 calendar months for income and franchise taxes
 - 3 calendar months for all other taxes, fees, or service charges collected by LDR
 - Interest may be suspended for all or part of the extension period.

Partnership with DocuSign for Submission of Certain Department Forms

Revenue Information Bulletin No. 19-014

R-20128, *Request for Waiver of Penalty for Delinquency*, and Agreements to Suspend Prescription are currently available.

Other forms will be added in the future.

R-19027 Installment Request for Business Tax	01/01/2018 - present	Form R-19027
R-20127 Claim for Refund of Overpayment	01/01/2015 - present	Form R-20127
R-20128 Request for Waiver of Penalty for Delinquency	01/01/2016 - present	Form R-20128 Electronic Submission Form R-20128 Paper Form
R-20130 Request for Compromise of Interest	01/01/2008 - present	Form R-20130
R-20131 Request for Abatement of Interest	01/01/2008 - present	Form R-20131

Policy Questions?

- Tax Policy Inquiry Email Boxes
 - Corporate Income and Franchise
 - PracCIFTPolicyInquiries@la.gov
 - Individual Income and Withholding
 - PractitionersIndividual.TaxPolicyInquiries@la.gov
 - Sales
 - PractitionersSalesTax.PolicyInquiries@la.gov
 - Excise/Severance/Miscellaneous
 - PracExcSevTaxPolicyInquiries@la.gov

Questions?