

BOBBY JINDAL
Governor



TIM BARFIELD
Secretary

State of Louisiana
Department of Revenue

December 2, 2014

Sent via Email To: apa.h-wm@legis.la.gov

The Honorable Joel Robideaux, Chairman
House Committee on Ways and Means
P.O. Box 90462
Baton Rouge, Louisiana 70804

RE: Proposed Regulation LAC 61:I.4915 (Louisiana Tax Delinquency Amnesty Act of 2014)

Dear Representative Robideaux:

On October 10, 2014 a copy of the Notice of Intent for the above-referenced proposed regulation was electronically mailed to you for review. The purpose of this regulation is to provide guidelines for implementing and administering installment plans for the 2014 Louisiana Tax Delinquency Amnesty Program.

The Notice of Intent was published in the October 2014 issue of the *Louisiana Register*. A public hearing was held at the LaSalle Building on Tuesday, November 25, 2014 and there were no attendees. Additionally, we received no comments from the public on the proposed rule.

This report is being made in accordance with R.S. 49:968(D)(1)(b) of the Administrative Procedure Act. Unless otherwise directed, our rule will be submitted for publication in the January 2015 edition of the *Louisiana Register*. Should you have any questions or need additional information, please contact Vanessa LaFleur, Director, Policy Services Division at vanessa.lafleur@la.gov or (225) 219-2780.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Barfield".

Tim Barfield
Secretary

Enclosure

Contributing to a better quality of life

NOTICE OF INTENT

Department of Revenue Office of the Secretary

Louisiana Tax Delinquency Amnesty Act of 2014 (LAC 61:I.4915)

The Department of Revenue, Office of the Secretary, is exercising the provisions of the Administrative Procedure Act, R.S. 49:953(B) to adopt this Rule pertaining to the Louisiana Tax Delinquency Amnesty Act of 2014 (Acts 2014, No. 822) in accordance with the provisions of R.S. 47:1511. The Rule is needed to provide guidelines for implementing and administering installment plans for the 2014 Louisiana Tax Delinquency Amnesty Program.

The Department of Revenue has established a tax amnesty program, hereinafter referred to as "amnesty program," beginning on October 15, 2014 and ending November 14, 2014. The amnesty program shall apply to all taxes administered by the department except for motor fuel, prepaid cell phone sales tax, oil field restoration-oil, oil field restoration-gas, inspection and supervision fee and penalties for failure to submit information reports that are not based on an underpayment of tax. Amnesty will be granted only for eligible taxes to eligible taxpayers who apply for amnesty during the amnesty period on forms prescribed by the secretary and who pay or enter into an installment agreement for all of the tax, half of the interest due, all fees and costs, if applicable, for periods designated on the amnesty application. The amnesty application may include issues or eligible periods that are not in dispute. The secretary reserves the right to require taxpayers to file tax returns with the amnesty application. If the amnesty application is approved, the secretary shall waive all of the penalties and half of the interest associated with the tax periods for which amnesty is applied.

Title 61

REVENUE AND TAXATION

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

Chapter 49. Tax Collection

§4915. Louisiana Tax Delinquency Amnesty Act of 2014

A. A taxpayers' application to make installment payments of a delinquent tax and its interest, penalties, and fees shall, upon approval by the secretary, enter the taxpayer into an installment agreement. In order to continue in the amnesty program, the taxpayer must make complete and timely payments of all installment payments. For the payment to be considered timely, all installment payments must be received no later than May 1, 2015.

B. All installment agreements approved by the secretary shall require the taxpayer to provide a down payment of no less than 20 percent of the total amount of delinquent tax, penalty, interest, and fees owed to the department at the time the installment agreement is approved by the secretary. Field audit and litigation are not eligible to enter into an installment agreement.

C. Every installment agreement shall include fixed equal monthly payments that shall not extend for more than six months. Applicants seeking to enter into an installment agreement with the department shall provide the following information:

1. bank routing number;

2. bank account number; and

3. Social Security number or LDR account number.

D. An installment payment will only be drafted from an account from which the taxpayer is authorized to remit payment. All payments shall be drafted through electronic automated transactions initiated by the department. Taxpayers who cannot enter into an agreement to make payment by way of automated electronic transactions shall not be eligible for an installment agreement with the department.

E. If for any reason a taxpayer subject to an installment agreement fails to fulfill his obligation under the agreement by remitting the last installment by May 1, 2015, no amnesty shall be granted and the installment agreement shall be null and void. All payments remitted to the department during the duration of the voided installment agreement shall be allocated to the oldest outstanding tax period as a regular payment. The payment will be applied in the following order: tax, penalty and interest. The taxpayer shall be obligated to pay the entirety of the delinquent tax, along with all applicable interest, penalties, and fees.

F. A taxpayer who is approved to participate in the amnesty program who is also a party to an existing installment agreement with the department may be eligible to participate in an installment agreement under the amnesty program. Upon approval by the secretary of an installment agreement under the amnesty program, the original installment agreement with the department shall be cancelled in favor of the installment agreement under amnesty.

G. The secretary may procure tax amnesty program collection services for the administration and collection of installment agreements. The fee for such services shall be in accordance with the fees authorized in R.S. 47:1516.1.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and Acts 2014, No. 822.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of the Secretary, LR 41:

Family Impact Statement

This Family Impact Statement is provided as required by Act 1183 of the 1999 Regular Session of the Louisiana Legislature.

1. Implementation of this proposed Rule will have no effect on the stability of the family.

2. Implementation of this proposed Rule will have no effect on the authority and rights of parents regarding the education and supervision of their children.

3. Implementation of this proposed Rule will have no effect on the functioning of the family.

4. Implementation of this proposed Rule will have no effect on the behavior and personal responsibility of children.

5. Implementation of this proposed Rule will have no effect on the ability of the family or a local government to perform this function.

Poverty Impact Statement

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

Provider Impact Statement

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

1. The effect on 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

Interested person may submit written data, views, arguments, or comments regarding this proposed Rule to Shanda J. McClain, Attorney, Policy Services Division, by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098 or by fax to (225) 219-2759. All comments must be received no later than 5 p.m., November 24, 2014.

Public Hearing

A public hearing will be held on November 25, 2014, at 2 p.m. in the River Room on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Tim Barfield
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Louisiana Tax Delinquency
Amnesty Act of 2014**

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

The proposed rule is to provide guidelines for the implementation and administration of installment agreements utilized for the payment of tax delinquencies as authorized in the Louisiana Tax Delinquency Amnesty Act of 2014. Implementation costs associated with this rule are negligible. Local governmental units are not affected by this proposal.

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

This rule provides guidelines for taxpayers who apply for tax delinquency amnesty and make application to pay the delinquency in installments. It has no effect on the amount of tax due and should facilitate the amount of state taxes collected related to the amnesty program. This proposal should have no impact on the revenue collections of local governmental units.

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

Taxpayers wishing to take advantage of the tax delinquency amnesty program are affected by this proposal. It is not expected that these applicants will experience any substantial costs or prolonged benefits from this proposal.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

No effect on competition or employment is expected as a result of this proposal.

Tim Barfield
Secretary
1410#051

Gregory V. Albrechet
Chief Economist
Legislative Fiscal Office