A public hearing will be held on November 29, 2012 at 11:00 a.m. in the River Room, on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana 70802.

Tim Barfield  
Executive Counsel

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Income and Franchise Tax

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

For professional athletic teams, this proposal amends the withholding tax Rule that relates to the frequency of return filing by changing filing deadlines from monthly to quarterly. Payments must continue to be submitted monthly. This proposal changes the requirement of a monthly return for each month in which a game is played in Louisiana, to a quarterly return for each quarter in which a game is played in Louisiana. This amendment is one of many changes in the withholding reporting and remittance model for all Louisiana employers per Act 107 of 2012 Regular Session. Beginning with taxes withheld on or after January 1, 2012, all employers, including professional athletic teams, will be required to submit quarterly withholding returns reconciling the amount of taxes remitted during the calendar quarter to the amounts withheld during the quarter. Implementation costs of changing the entire withholding model include form changes, costs to inform employers of reporting changes, and computer system development and modification. Computer system implementation costs were approximately $625,000, and the other costs were minimal. Implementation costs were absorbed in the existing budget.

Local governmental units are not affected by this proposal.

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

This proposal only affects the frequency of return filing, not the amount of tax that is imposed. Therefore, this proposal should have no impact on the revenue collections of state or local governmental units.

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

Persons affected by this Rule are professional athletic teams that play games in Louisiana. These taxpayers will be required to file fewer returns under this proposal because they will only be required to file returns quarterly instead of monthly, though payments will continue to be filed monthly. Costs to these employers are expected to be minimal.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This proposal should not affect competition or employment.

Tim Barfield  
Executive Counsel

Gregory V. Albrecht  
Chief Economist

Legislative Fiscal Office