RULE
Department of Revenue
Policy Services Division

Electronic Systems for Withholding Exemption Certificates
(LAC 61:I.1505)

Under the authority of R.S. 47:112.G.(6), R.S. 47:112.N.(6), 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, Policy Services Division, has adopted LAC 61:I.1505 relative to electronic systems for withholding exemption certificates.

Louisiana Revised Statute 47:112.G.(6) states that "Withholding certificates shall be in such form and contain such information as the collector may prescribe by regulation." The adoption of LAC 61:I.1505 provides a process, consistent with federal withholding regulations, by which an employer may establish a system for its employees to file withholding exemption certificates electronically.

Title 61
REVENUE AND TAXATION
Part I. Taxes Collected and Administered by the Secretary of Revenue
Chapter 15. Income: Withholding Tax
§1505. Electronic Systems for Withholding Exemption Certificates

A. Electronic Form L-4 or L-4E in general. An employer may establish a system for its employees to file withholding exemption certificates electronically.

B. Requirements for Electronic Form L-4 or L-4E

1. In General. The electronic system must ensure that the information received is the information sent, and must document all occasions of employee access that result in the filing of a Form L-4 or L-4E. In addition, the design and operation of the electronic system, including access procedures, must make it reasonably certain that the person accessing the system and filing the Form L-4 or L-4E is the employee identified in the form.

2. Same Information as Paper Form L-4 or L-4E. The electronic filing must provide the employer with exactly the same information as the paper Form L-4 or L-4E.

3. Perjury Statement and Signature Requirements. The electronic filing must be signed by the employee under penalties of perjury.

   a. Perjury Statement. The perjury statement must contain the language that appears on the paper Form L-4 or L-4E. The electronic program must inform the employee that he or she must make the declaration contained in the perjury statement and that the declaration is made by signing the Form L-4 or L-4E. The instructions and the language of the perjury statement must immediately follow the employee's income tax withholding selections and immediately precede the employee's electronic signature.

   b. Electronic Signature. For purposes of this provision, the electronic signature must identify the employee filing the electronic Form L-4 or L-4E and authenticate and verify the filing. For purposes of this provision, the terms "authenticate" and "verify" have the same meanings as they do under federal provisions concerning Form W-4. An electronic signature may be in any form that satisfies the foregoing requirements. The electronic signature must be the final entry in the employee’s Form L-4 or L-4E submission.

4. Copies of Electronic Form L-4 or L-4E. Whenever a Form L-4 or L-4E is requested by the Department of Revenue, or required to be submitted to the Department of Revenue, the employer must supply a hardcopy of the electronic Form L-4 or L-4E and a statement that, to the best of the employer’s knowledge, the electronic Form L-4 or L-4E was filed by the named employee. The hardcopy of the electronic Form L-4 or L-4E must provide exactly the same information as, but need not be a facsimile of, the paper Form L-4 or L-4E.

C. Electronic Filing by All Employees. An employer is permitted to adopt a system under which all employees file Forms L-4 and L-4E electronically, however, it is expected that an employer will make a paper option reasonably available upon request to any employee who has a serious objection to using the electronic system or whose access to, or ability to use, the system may be limited (for example, as a result of a disability). The paper option would be satisfied, for example, if the employer informs employees how they can obtain a paper Form L-4 or L-4E and where they should submit the completed paper Form L-4 or L-4E. The Louisiana Department of Revenue also expects that employers will comply with all applicable law governing the terms and conditions of employment, such as the Americans with Disabilities Act (42 U.S.C. §12112(a)).

D. Record Retention. Electronic systems for collecting and maintaining Form L-4 and L-4E data have the same status as paper Forms L-4 and L-4E. Therefore, guidance that applies to retention of paper Forms L-4 and L-4E also applies to electronic Forms L-4 and L-4E.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division LR 28:0000 (June 2002).

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