

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 498** SLS 20RS 885

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 29, 2020	2:24 PM	Author: ALLAIN
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Tax Filing and Payment Extensions		

REVENUE DEPARTMENT EN SEE FISC NOTE GF RV See Note
Provides for tax filing and payment extensions. (gov sig)

Present law allows extensions for tax filing and payment, upon written request by taxpayers. Extensions are limited to six months for income taxes, thirty days for sales taxes, and sixty days for any other tax due. Interest continues to accrue during the extension period.

Proposed law adds the franchise tax to the six month extension allowed to income tax, and modifies the calendar day extension periods to comparable monthly periods. In addition, extension authority is added for cases of gubernatorially or presidentially declared disasters. In these cases extensions can be granted for longer periods: up to six months for income and franchise tax, and up to three months for any other tax. Applicable to taxes, fees, or charges under the authority of the Revenue Dept. Interest will accrue during extension periods attributable to gubernatorial declared disasters, but may be suspended during extension periods attributable to presidentially declared disasters. Effective upon governor's signature.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Minor expenditures would be incurred for system modification to incorporate the changes to current law extension periods (based on calendar days) to proposed law extension periods (based on monthly periods), as well as to distinguish between current law extensions and those attributable to cases of gubernatorially or presidentially declared disasters.

REVENUE EXPLANATION

By adding additional authority to grant extensions there may more utilization of extensions by taxpayers. However, the granting of extensions, for any circumstances, does not change ultimate tax liabilities, only the timing of tax receipts. This may have budgetary effects for particular fiscal years if the extension periods shift tax payments among fiscal years. Cash flow may also be affected. Both of these implications exist under current and proposed law. Greater interest receipts may occur to the extent more extensions than normal are granted under the case of gubernatorially declared disasters. Under the case of presidentially declared disasters, interest can be suspended. In all cases, the occurrence of extensions and the consequent fiscal effects are speculative.

The Department of Revenue points out that gubernatorial and presidential disaster declarations are typically applicable to only specific parishes. Thus, it is possible that under the additional authorities proposed by the bill, taxpayers in the affected parishes would have extensions available to them, while taxpayers in unaffected parishes would still be obligated to file and pay timely. Also, in past natural disasters, certain taxes such as sales tax, income tax withholdings, and excise taxes tended to be filed and paid timely, while taxpayers who file and pay income and franchise taxes were more likely to take advantage of extensions.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer