

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 23** SLS 201ES 95

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 12, 2020 2:09 PM	Author: WARD
Dept./Agy.: LA Dept. of Revenue	Analyst: Zachary Rau
Subject: Waiver of late filing penalties and interest	

REVENUE DEPARTMENT OR DECREASE SG RV See Note Page 1 of 1
Requires the Department of Revenue to waive penalties and abate interest for certain taxpayers. (Item #29) (7/1/20)

Proposed law waives all late filing penalties and interest associated with individual income, corporate franchise & income, fiduciary, and partnership filings made for the 2019 tax year for filings made prior to July 15, 2020. Effective July 1, 2020.

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>	\$0
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.	DECREASE	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	\$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>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The LA Dept. of Revenue reports a one-time cost in programming changes of \$77,040 in FY 21 staff time necessary to extend the filing deadline for entities with taxable periods ending January 30, 2020 by one month, from June 15, 2020, to July 15th, 2020.

REVENUE EXPLANATION

The LA Dept. of Revenue (LDR) reports indeterminable decreases in SGF and SGR collections as a result of this measure. The decreases are associated with the waiving of penalties and interest for tax filers who have a fiscal year from February 1, 2019 to January 30, 2020, and are therefore required to submit tax filings by June 15, 2020. As a result, those entities are outside the scope of the filing deadline extension for calendar year filers as stated in Revenue Information Bulletin No. 20-009, which allows calendar year filers an additional two months (from May 15 to July 15) to submit filings without additional penalties and interest. Revenue losses associated with the proposed law are indeterminable and dependent upon the behavior of tax filers with a tax period ending January 30. As a point of reference, for tax year 2018, interest collected from these entities totaled \$81,000 SGF, and late pay/delinquent filing penalties totaled approximately \$1.7 M SGR.

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}

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