

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1103** HLS 16RS 2213

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 25, 2016	4:30 PM	Author: STOKES
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Income Tax Filing Extension		

TAX/INCOME-INDIV/RETURN OR INCREASE GF EX See Note Page 1 of 1
Provides relative to extensions of time for filing Louisiana individual income tax returns

Present law allows the granting of an extension to file state income tax returns on the basis of an extension of time to file a federal income tax return for the same taxable period.

Proposed law allows the acceptance of a physical copy of a taxpayer's federal form requesting a federal tax filing extension as the basis of granting a state filing extension.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	\$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

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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

EXPENDITURE EXPLANATION

Current law already allows for the granting of filing extensions, and allows a federal tax filing extension as the basis for a state filing extension. However, beginning with the filings for the 2012 tax year, individuals have been required to electronically request a filing extension. The electronic request can be made through the Revenue Department website, the Department's automated phone system, or through tax preparation software.

This bill will allow a physical hardcopy of the federal extension form to be provided to the Revenue Department as the basis of requesting/granting a state extension. The Department indicates that its processes are no longer setup to handle a hardcopy extension request, and that there will be costs associated with establishing a hardcopy process. Presumably, hardcopy submittals will have to be physically handled and scanned into the tax record of the filer. Typical estimates of system changes range in the tens of thousands of dollars of one-time staff time, and in this case ongoing handling costs are likely as well. The growing use of electronic filing and the four-year period since hardcopy submittals were last accepted suggests that a relatively small number of hardcopy submittals are likely each year, making ongoing handling costs likely to be relatively small.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Tax liabilities and the requirement to remit timely are not affected.

Senate Dual Referral Rules House

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| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

John D. Carpenter
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