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Patrick J. Reynolds
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November 28, 2022

VIA EMAIL TO: Christina.Junker2@la.gov

**Re: COST Comments on Louisiana Proposed Rules Regarding Corporation
Income and Franchise Tax Filing Extensions**

Dear Ms. Junker:

On behalf of the Council On State Taxation (COST), I am writing regarding the Department of Revenue's proposed rules regarding Corporation Income and Franchise Tax Filing Extensions. We applaud the Department's intent to make the extension automatic if the taxpayer applies for a federal extension. We do, however, respectfully suggest a minor revision to ensure consistency with the statute and clarify the intent.

About COST

COST is a non-profit trade association based in Washington, DC. COST was formed in 1969 as an advisory committee to the Council of State Chambers of Commerce and today has an independent membership of over 500 major corporations engaged in interstate and international business, many of which directly do business in Louisiana. COST's objective is to preserve and promote the equitable and non-discriminatory state and local taxation of multijurisdictional business entities.

Clarification of Intent to Apply Extension Automatically

Section 2503(B) of the proposed regulation currently provides:

For taxable periods beginning on or after January 1, 2022 the secretary shall grant a reasonable extension of time to file a state corporation income and franchise tax return for the same extended period of time as the taxpayer's federal extension, or six-months, whichever is later, with no state extension request required.

Because the word "reasonable" is not included in the language of S.B. 54 as applicable to taxable periods beginning on or after January 1, 2022, we suggest deleting it from Section 2503(B). We also suggest including the word "automatically" in the regulation to clarify the Department's intent to automatically grant the extension. Accordingly, we respectfully suggest removing the word "reasonable" and inserting the word "automatically" so the section would instead read as follows:

For taxable periods beginning on or after January 1, 2022 the secretary shall automatically grant an extension of time to file a state corporation income and franchise tax return for the same extended period of time as the taxpayer's federal extension, or six-months, whichever is later, with no state extension request required.

Thank you for your consideration. If you have any questions or would like to discuss, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick J. Reynolds".

Patrick J. Reynolds

CC: COST Board of Directors