

2024 Regular Session

HOUSE BILL NO. 479

BY REPRESENTATIVE MYERS

REVENUE DEPARTMENT: Requires certain royalty, bonus, or lease payments to be subject to income tax withholding requirements

1 AN ACT

2 To enact R.S. 47:164(D)(3), relative to withholdings for purposes of income taxes; to require
3 certain entities to withhold certain amounts as determined by the secretary of the
4 Department of Revenue; to provide for requirements and limitations; to provide for
5 effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:164(D)(3) is hereby enacted to read as follows:

8 §164. Information at source

9 * * *

10 D. Withholding of tax at source.

11 * * *

12 (3) Every person in whatever capacity making mineral royalty, bonus, or
13 lease payments from properties located in Louisiana to any resident or nonresident
14 individual which payments are considered taxable income for purposes of Louisiana
15 income tax shall deduct and withhold as tax an amount determined by the secretary
16 to be payable from such person and make return thereof and remit the tax to the
17 secretary.

18 Section 2. The provisions of this Act shall be applicable to all tax years beginning
19 on or after January 1, 2025.

1 Section 3. This Act shall become effective upon signature by the governor or, if not
 2 signed by the governor, upon expiration of the time for bills to become law without signature
 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 5 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 479 Original

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Myers

Abstract: Requires every person making mineral royalty, bonus, or lease payments from properties located in La. to any resident or nonresident individual to deduct and withhold as tax an amount determined by the secretary of the Dept. of Revenue.

Present law requires all persons acting in any capacity making payment to another person of salaries, wages, or other forms of compensation of \$1,000 or more in any taxable year, or, in the case of payments made by a governmental entity having information as to such payments and required to file returns on the income, to send a report to the collector, in a form and manner prescribed by the collector, of the amount of income paid to the recipient, the name and address of the recipient, and any other information required by the collector.

Present law authorizes the secretary of the Dept. of Revenue (secretary) to require governmental entities or any person having control over various sources of revenue such as salaries, wages or other forms of compensation paid or payable to any person, to deduct and withhold as tax an amount determined by the secretary, to be payable from the person and remitted to the secretary. Present law requires the income recipient to furnish his full and correct name and address to the person paying income.

Proposed law retains present law but adds a requirement that every person making mineral royalty, bonus, or lease payments from properties located in La. to any resident or nonresident individual which payments are considered taxable income for purposes of La. income tax to deduct and withhold as tax an amount determined by the secretary of the Dept. of Revenue and to remit the tax withholdings to the secretary.

Proposed law is applicable to all tax years beginning on or after Jan. 1, 2025

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:164(D)(3))