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## DIGEST

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HB 601 Re-Reengrossed

2017 Regular Session

Stokes

**Abstract:** Establishes the La. Uniform Local Sales Tax Board for uniformity and efficiency of collection and administration of sales and use taxes.

Proposed law creates the La. Uniform Local Sales Tax Board (board) and grants the board the following authority:

- (1) Support and advise local tax collectors concerning collection and administration of local taxes.
- (2) Promulgate rules and regulations pursuant to the Administrative Procedure Act relating to local sales and use tax, specifically including rules for a voluntary disclosure program and a uniform refund request and approval process.
- (3) Enter into agreements with local tax collectors.
- (4) Enter into contracts for the services of legal counsel, analysts, auditors, appraisers, and witnesses, as well as any agency or department of the state or any state or local political subdivision.
- (5) Prescribe uniform forms and model procedures to be used by local sales and use tax collectors.
- (6) Procure the development of computer software and equipment for the collection and administration of local sales and use taxes.
- (7) Employ an executive director, and any necessary agents, assistants, auditors, clerks, inspectors, investigators, or other experts and employees.
- (8) Develop a coordinated multi-parish audit process.

Proposed law provides that the board be composed of the following eight members:

- (1) The executive director of the La. Municipal Association.
- (2) The executive director of the School Boards Association.

- (3) The executive director of the Police Jury Association.
- (4) The executive director of the Sheriffs Association.
- (5) The head of a single parish collector's office appointed by the executive board of the La. Municipal Association.
- (6) The head of a single parish collector's office appointed by the board of directors of the La. School Boards Association.
- (7) The head of a single parish collector's office appointed by the executive board of the Police Jury Association of La.
- (8) The head of a single parish collector's office appointed by the executive committee of the Sheriffs Association.

Proposed law provides that members of the board shall serve at the pleasure of the appointing authority.

Proposed law requires that the board be domiciled in East Baton Rouge Parish, but may hold meetings at any location within the state.

Proposed law provides for funding of the board through a dedication of a percentage of the total statewide collections of local sales and use taxes on motor vehicles, not to exceed:

- (a) In Fiscal Year 2017-2018, one-fifth of 1% of the collections.
- (b) In Fiscal Year 2018-2019, one-quarter of 1% of the collections.
- (c) In Fiscal Year 2019-2020 and each fiscal year thereafter, three-tenths of 1% of the collections.

Proposed law provides that the actual amount to be disbursed to the board by the office of motor vehicles in any fiscal year shall be determined by the requirements of the annual budget adopted by the board for that year, subject to the limitations established in proposed law with regard to maximum percentages of tax collections.

Proposed law requires that by the first day of June each year the chairman of the board notify the commissioner of the office of motor vehicles regarding the amount to be disbursed to the board for the ensuing fiscal year based on the adopted budget, with the exception of Fiscal Year 2017-2018, when the date for the notification shall be determined by agreement of the chairman and the commissioner.

Proposed law requires the board to adopt a strategic plan for its operations no later than July 1, 2018.

Proposed law requires the board to provide for education and training of collectors of local sales and use tax, with at least one program being offered each year.

Proposed law authorizes the board to transfer monies to assist in funding the Local Tax Division of the Board of Tax Appeals in the event that state use tax collections under R.S. 47:302(K) are insufficient to fund the dedication for the operations of the Local Tax Division made under R.S. 47:302(K)(7).

Present law provides that a single transaction shall only be taxed once and provides for a process for requesting a refund in the event that taxes collected are remitted to the wrong taxing jurisdiction.

Proposed law creates an optional concursus process in which a dealer or taxpayer can remit the amount of tax to the Local Tax Division of the Board of Tax Appeals for deposit into their escrow account and request a determination by the board of the proper taxing jurisdiction.

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

(Amends R.S. 47:302(K)(6), 337.2(C)(1)(a), 337.19(A), 337.23(B)(1)(b), (d), and (e), 337.49, 337.81(A)(1), 337.87(C)(1)(intro. para.), 337.92(1), and 1407(3); Adds R.S. 36:459(A), R.S. 47:337.86(E)(3), 337.87(C)(1)(d), and 337.102)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Add authority for members of the La. Uniform Local Sales Tax Board (board) to appoint a designee for purposes of attendance at a tax protest hearing or a meeting of the board.
2. Change the term for board member appointments from a certain number of years to at the pleasure of the appointing authority.
3. Change the limitations on the annual amount of funding the board may receive.
4. Add provisions concerning the board's budget.

The House Floor Amendments to the engrossed bill:

1. Remove provisions establishing the Louisiana Sales and Use Tax Commission for Remote Sellers.

The House Floor Amendments to the reengrossed bill:

1. Add a requirement that the board adopt a strategic plan for its operations no later than July 1, 2018.
2. Add a requirement that the board provide for the education and training of local sales and use tax collectors, with at least one program being offered each fiscal year.

