

RÉSUMÉ DIGEST

ACT 274 (HB 601)

2017 Regular Session

Stokes

New law establishes two new governmental entities for purposes of administration and enforcement of state and local sales and use taxes.

La. Uniform Local Sales Tax Board

New law establishes the La. Uniform Local Sales Tax Board (board) as a political subdivision of the state, domiciled in East Baton Rouge Parish, for the purpose of promoting certain uniform procedures and policies concerning the collection and administration of local sales and use taxes, and to provide policy advice and support to local sales and use tax collectors. The board is 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 La. 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 La. Sheriffs Association.

New law provides with respect to board member appointments and other aspects of membership on the board.

New law provides for the authority of the board, including the following activities:

- (1) Support and advise local tax collectors concerning collection and administration of local sales and use taxes, including the prescription of uniform forms and model procedures, and the provision of educational and training programs for tax collectors.
- (2) Promulgate rules and regulations pursuant to the APA relating to local sales and use tax, specifically including rules for a voluntary disclosure program and a uniform refund request and approval process.
- (3) Procure the development of computer software and equipment for the collection and administration of local sales and use taxes.

New 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:

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

New law provides that within the specific annual limitations on amounts to be dedicated, 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. By the first of June each year, the chairman of the board shall notify the commissioner of the office of motor vehicles regarding the amount to be disbursed for the ensuing fiscal year based on the adopted budget.

New 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 dedicated under existing law for support of the division are insufficient to provide for its operations.

La. Sales and Use Tax Commission for Remote Sellers

New law establishes the La. Sales and Use Tax Commission for Remote Sellers (commission) as an independent agency within the Dept. of Revenue for the administration and collection of state and local sales and use taxes related to remote sales, and to provide for policy uniformity and simplicity in sales and use tax compliance for remote sellers.

New law provides that the commission shall be composed of the following eight members:

- (1) The secretary of the Dept. of Revenue.
- (2) Three employees of the Dept. of Revenue appointed by the secretary.
- (3) Four members appointed to serve by and from the La. Uniform Local Sales Tax Board.

New law requires the commission to be domiciled in East Baton Rouge Parish, but meetings may be held at any location within the state.

New law provides that the commission serve as the single entity in La. required under any federal law that may require remote sellers to collect and remit sales and use tax on La. sales. To accomplish this, activities of the commission shall include:

- (1) Establish the minimum tax administration, collection, and payment requirements required by federal law with respect to the collection and remittance of sales and use tax imposed on remote sales.
- (2) Establish a fiscal agent solely for the purpose of remote seller remittances.
- (3) Serve as the single entity in La. to require remote sellers to collect and remit to the commission sales and use taxes on remote sales sourced to La.

New law establishes a method of funding the operations of the commission through a dedication of a percentage of the state and local sales and use taxes collected on remote sales by the commission, not to exceed 1%. However, the commission shall not be authorized to utilize these monies unless and *until a federal law authorizing states to require remote sellers and their agents to collect state and local sales and use taxes on their sales has been enacted and becomes effective.*

New law provides for the powers and duties of the commission, to include:

- (1) To serve as the single entity within the state responsible for all state and local sales and use tax collection and administration for remote sales sourced to La., and to remit local tax collections to the respective collector monthly.
- (2) To assign and direct a single audit of remote sellers for all sales and use taxes.
- (3) To serve as the single entity within the state to represent both the state and local taxing authorities in taking appropriate action to enable La. to participate in programs designed to allow La. to more efficiently enforce and collect state and local sales and use taxes on sales made by a remote seller.
- (4) To conduct administrative hearings as requested by aggrieved remote sellers and to render decisions following hearings.

- (5) To provide to the single tax collector for each parish an annual report of revenues collected and distributed.
- (6) With the consent of the affected local taxing authority, to issue notices of intent to assess and notices of assessments, to enforce collection of local taxes by distraint and sale, and to institute summary proceedings or ordinary proceedings for collection of local taxes.

New law limits the powers and duties of the commission to those expressly provided in new law and prohibits the commission from any activities historically and customarily undertaken by local sales and use tax collectors.

Effective upon signature of governor (June 16, 2017).

(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), 337.102, 339, and 340)