
DIGEST

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HB 688 Original

2020 Regular Session

Stagni

Abstract: Requires lease facilitators to collect and remit local sales and use tax and local automobile rental taxes on a lease or rental of a motor vehicle or automobile in or for delivery into La. to the La. Sales and Use Tax Remote Sellers Commission.

Present law establishes the sales and use tax levied by political subdivisions includes a tax on the lease or rental of tangible personal property within the state.

Present law establishes an automobile rental tax. The state levies a 2.5% tax on gross proceeds derived from automobile lease and rentals and locals levy at .5% tax on gross proceeds derived from automobile lease and rentals.

Proposed law expands present law by collecting local sales and use taxes on the lease or rental of motor vehicles and automobiles in or for delivery into La. from a lease facilitator.

Proposed law defines the terms commission, lease facilitator, marketplace, marketplace lessor motor vehicle, and person.

Present law establishes the La. Sales and Use Tax Commission for Remote Sellers (commission) as a commission within the Department of Revenue (DOR) for the purpose of administration and collection of sales and use tax imposed by the state and political subdivisions with respect to remote sales.

Proposed law authorizes and mandates the commission to collect the sales and use tax on the lease or rental of motor vehicles and automobiles in or for delivery into La. from a lease facilitator.

Proposed law requires lease facilitators to be responsible for all obligations imposed on dealers, and requires lease facilitators to keep sufficient records as required by the commission to ensure property collection.

Proposed law requires a lease facilitator to collect local sales and use taxes and local automobile rental taxes on all taxable lease and rentals on motor vehicles in or for delivery into La. and remit the collections to the commission.

Proposed law requires lease facilitator collect these taxes when the lease facilitator transacts on its own behalf or on behalf of a marketplace lessor even if the marketplace lessor is not considered a dealer under La. law, has registered as a dealer, or otherwise would have been required to collect the

tax if the lease or rental had not been facilitated by the lease facilitator.

Proposed law provides lease facilitators must register with the commission and must collect and remit local sales and use tax on all taxable remote sales for delivery into La. which the lease facilitator transaction on its own behalf.

Proposed law provides that after a lease facilitator has more than \$100,000 in gross revenues from leases or rentals of motor vehicles or automobiles or more than 200 lease or rental transactions in the state, then a lease facilitator is required to register with the commission.

Proposed law permits lease facilitators who do not meet either of the transaction or monetary thresholds to voluntarily register with the commission.

Proposed law provides the marketplace facilitator shall have the responsibility for determining the taxability of leases and rentals on motor vehicles or automobiles in or for delivery into La.

Proposed law requires the lease facilitators file a monthly return and remit the tax collected to the commission.

Proposed law authorizes the commission to promulgate rules related to lease facilitators in accordance with the Administrative Procedures Act.

Effective Jan. 1, 2021.

(Adds R.S. 47:340(G)(12) and (J) and 340.1)