
DIGEST

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HB 523 Engrossed

2025 Regular Session

Romero

Abstract: Authorizes local governments to compensate dealers for timely accounting for and remitting sales taxes levied by local ordinance at the rate of .84% of the amount of taxes collected and remitted for a maximum monthly amount of \$750; reduces the rate of state compensation paid to dealers for collection and remittance of state sales taxes from 1.05% to .84% of the amount collected and remitted.

Present law provides for the levy, collection, and remittance of state and local sales and use taxes. Further requires taxes levied by local ordinance to be due and payable monthly on the first day of the month. All dealers are required to transmit to the collector, on or before the 20th day of the month following the month in which the tax is due returns showing the gross sales, purchases, gross proceeds from lease or rental, gross payments for lease or rental, gross proceeds derived from sales of services, or gross payments for services, as the case may be, arising from all taxable transactions during the preceding calendar month.

Present law authorizes dealers to be compensated for timely collecting and remitting state sales taxes at the rate of 1.05% of the amount of tax due and accounted for and remitted to the Dept. of Revenue. Present law limits the maximum amount that a dealer who operates one or more business locations within this state to be compensated to \$750 per month.

Proposed law retains present law as it relates to the maximum monthly amount of \$750 but decreases the rate of the state compensation paid to dealers from 1.05% of the amount of tax due and accounted for to .84% of the amount of tax due and accounted for.

Present law authorizes municipalities to pay compensation to sales tax dealers in amounts designated by the governing body of the municipality. Proposed law repeals present law.

Proposed law authorizes each dealer to be compensated for collecting and remitting the tax levied by a local ordinance in the form of a deduction in submitting the sales tax report to the collector and paying the amount due, provided the amount due was timely collected and remitted. Proposed law limits the maximum amount that a dealer may be compensated for timely collecting and remitting local sales taxes to .84% of the amount of tax due and accounted for a maximum monthly amount of \$750.

Present law authorizes a taxpayer to file a sales and use tax return of a taxing authority and remit any tax, interest, penalty, or other charge due by means of the uniform electronic local return and remittance system as established in present law. Further provides that the system by which such

taxpayers file electronically and pay their taxes shall be managed, maintained, and supervised by the La. Uniform Local Sales Tax Board.

Present law requires the system to allow taxpayer to file a sales and use tax return that is uniform for each taxing authority except for items such as the rate of the taxing authority's tax and optional exclusions or exemptions allowed by state sales and use tax law, adopted by a local ordinance.

Proposed law retains present law but adds the amount of vendor's compensation allowed to a dealer for collection and remittance of local sales and use taxes to the items that are exempted from uniformity requirements.

Present law establishes the La. Sales and Use Tax Commission for Remote Sellers, (commission) within the Dept. of Revenue for the administration and collection of sales and use taxes imposed by the state and political subdivisions with respect to remote sales. The commission shall have the power, duty, and authority to require remote sellers and qualifying nonremote sellers to register with the commission.

Proposed law retains present law and adds requirement that vendor's compensation be allowed as a deduction against tax due if the sales tax return is filed timely and all taxes shown due on the return are remitted on or before the 20th day of the month following the month of collection. Proposed law further requires the commission to apply each taxing jurisdiction's specific rate of vendor's compensation as a deduction against tax due and shall reduce the monthly distribution provided for in present law to the political subdivision accordingly.

Applicable to all taxable transactions occurring on or after July 1, 2025.

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

(Amends R.S. 47:306(A)(3); Adds R.S. 47:337.2(B)(3)(e), 337.18(A)(3), 337.23(C)(1)(a)(ii), and 340(G)(6)(d))

Summary of Amendments Adopted by House

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

1. Add vendor's compensation provisions relative to compensation for collection and remittance of state sales taxes and reduce the maximum rate for this compensation from 1.05% of the amount of tax collected and remitted to .84% of the amount of tax collected and remitted.
2. Remove authorization for the amount of compensation paid to dealers for collecting and remitting local sales taxes from amounts set forth by local ordinances to .84% of the amount collected and remitted not to exceed \$750 per month.