
DIGEST

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HB 658 Original

2026 Regular Session

Carlson

Abstract: Transfers responsibility for the collection of all local sales and use taxes to the secretary of the Dept. of Revenue (DOR) beginning July 1, 2027, with duties for enforcement and administration of local sales and use tax to remain with local tax collectors.

Present constitution authorizes local governments and other political subdivisions to levy and collect sales and use taxes. Requires each parish to have a single tax collector or single collection commission for all taxing authorities in the parish.

Present law authorizes the secretary of DOR ("secretary") to contract with the governing authority of a local taxing authority ("taxing authority"), at the request of the authority, to collect and enforce the collection of its sales and use taxes and related penalties, interest, or other charges.

Proposed law requires that all sales and use taxes levied by any taxing authority in the state shall be collected by the secretary, beginning July 1, 2027. Requires the secretary to adopt rules and regulations and prescribe forms for the collection of these taxes.

Proposed law requires the establishment of a program for the collection and distribution of local sales and use taxes ("nonstate tax proceeds"), to include the designation of specific staff within the department with the primary responsibility of ensuring the prompt collection and remittance of nonstate tax proceeds. Requires that a staff member be available every day of the year, 24 hours per day. Requires the DOR to provide for and maintain a system which allows for sharing of real time data on the collection of local taxes for the benefit of the local taxing authorities for whom the taxes are collected.

Proposed law requires that nonstate tax proceeds be transmitted to each respective local collector as follows: taxes collected by electronic means shall be transmitted within four days of receipt, and taxes collected by check shall be transmitted within 20 days of receipt. Requires the state treasurer and the secretary to determine the method for accounting and distribution of nonstate tax proceeds. Stipulates that these monies shall not be considered state monies and shall not be subject to appropriation.

Proposed law provides that the distribution of nonstate tax proceeds shall be conducted without necessity of an appropriation. Requires the secretary to deduct an amount not greater than one-half of 1% of the taxes collected as compensation for the collection service and to provide for continued support of the staff assigned to this function. Provides that the fee to be charged for collection on behalf of each taxing authority shall be determined by agreement of the secretary and the respective

taxing authority.

Proposed law stipulates that the secretary shall have no duty or authority to in any way administer the levy and enforcement of any tax levied by any local taxing authority. Further, provides that all responsibility for administration and enforcement of sales and use taxes, including the consideration and payment of refund claims, shall remain with the local taxing authority levying the tax.

Proposed law requires the single collector in each parish, by Feb. 1, 2027, to provide to the secretary copies of all local ordinances affecting sales and use taxes imposed in the parish. Requires further that a local taxing authority levying a sales and use tax shall notify the secretary within 10 days after approval, and no later than 75 days prior to the effective date, of any action concerning a new tax or the imposition of an existing tax.

Proposed law requires the secretary to prepare a monthly reconciliation of the account for each parish. Requires that the reconciliation feature detailed information regarding the amounts of tax collected and remitted to the local collector.

Proposed law requires the secretary to provide to each taxing authority a quarterly report of taxes collected and the cost of collection. Requires taxing authorities to report to the secretary the names of any persons doing business in the jurisdiction of the taxing authority that are not included in the quarterly report.

Proposed law authorizes a taxing authority to request an additional report of persons doing business in its jurisdiction who have failed to pay taxes due, which report shall include information regarding partial payments, delinquent taxes, and steps taken to collect the tax due, and provides for the information to be included in the secretary's report.

Proposed law authorizes, not more than twice per year, the governing authority of a taxing authority to request to investigate the records of the DOR concerning the collection of the taxes it levies. Requires the secretary to acknowledge the request and respond within 10 days. Provides that the investigation may occur no more than 20 days after the date of the secretary's response or at the convenience of the taxing authority, whichever is later. Requires the legislative auditor, upon request of the taxing authority or the secretary and to the degree practicable, to provide assistance in the investigation of the records.

Proposed law stipulates that the collection by the secretary of sales and use taxes levied by a taxing authority is subject to the provisions of present law that govern collection of state sales and use taxes.

Present law requires that any sales and use tax levied by taxing authorities located within a single parish may be collected by a single tax collector for that parish and provides for contract collection agreements and joint sales and use tax commissions as mechanisms for collection of local sales and use taxes. Proposed law repeals present law.

Present law requires that local sales and use taxes be collected by a central collection commission

in those parishes where a single collector has not been established by July 1, 1992, and provides for the composition and authority of the commission. Proposed law repeals present law.

Effective Jan. 1, 2027, if the proposed amendment of Articles VI and VII of the Constitution of La. contained in the Act which originated as House Bill No. ____ of this 2026 R.S. is adopted at a statewide election and becomes effective.

(Amends R.S. 47:337.6(A), 337.16, 337.25, 337.64(A), and 337.80(A)(intro. para.); Adds R.S. 47:337.22(F) and 337.23(J); Repeals R.S. 47:337.13 and 337.14)