

2015 Regular Session

HOUSE BILL NO. 265

BY REPRESENTATIVE PUGH

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/SALES & USE: (Constitutional Amendment) Specifies that the current state sales and use tax on transactions involving remote dealers shall be collected on behalf of local governments and school boards

1 A JOINT RESOLUTION

2 Proposing to add Article VII, Section 3.1 of the Constitution of Louisiana, to specify that a
3 certain current state sales and use tax shall be levied and collected for the benefit of
4 certain local governmental subdivisions and school boards; to provide for the
5 distribution of the avails of such tax; to exclude certain transactions from the
6 imposition of local sales and use tax; to provide for submission of the proposed
7 amendment to the electors; and to provide for related matters.

8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
9 elected to each house concurring, that there shall be submitted to the electors of the state of
10 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
11 amend Article VII, Section 3.1 of the Constitution of Louisiana, to read as follows:

12 §3.1. Collection of Taxes; Certain State Sales and Use Tax

13 Section 3.1. The state sales and use tax on tangible personal property which
14 was enacted by Act No. 18 of 1994, as amended, which is levied and collected from
15 persons and on purchases from persons who engage in the regular or systemic
16 solicitation of a consumer market in Louisiana other than through the presence in the
17 state of employees, solicitors, agents, inventory, sales locations, or other business
18 assets, is to be levied and collected for the sole benefit of all local governmental
19 subdivisions and school boards which are granted the authority to levy taxes pursuant
20 to Article VI, Section 29 of this constitution. The avails of such tax, except for any

1 administrative fee the state may impose, shall be distributed to each parish in a
 2 manner to be prescribed by law. Notwithstanding any provision of Article VI,
 3 Section 29 of this constitution to the contrary, the transactions taxable under the tax
 4 described in this Section, for purposes of that tax only, shall be excluded transactions
 5 for purposes of taxation pursuant to Article VI, Section 29 of this constitution.

6 Section 2. Be it further resolved that this proposed amendment shall be submitted
 7 to the electors of the state of Louisiana at the statewide election to be held on October 24,
 8 2015.

9 Section 3. Be it further resolved that on the official ballot to be used at the election,
 10 there shall be printed a proposition, upon which the electors of the state shall be permitted
 11 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
 12 follows:

13 Do you support an amendment to specify that the current state sales and use
 14 tax on tangible personal property, which is levied and collected on
 15 transactions involving certain dealers without employees, agents or business
 16 assets in the state, is to be levied and collected for the benefit of the local
 17 governmental subdivisions and school boards which have constitutional
 18 authority to levy sales and uses taxes? (Adds Article VII, Section 3.1)

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 265 Original

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Abstract: Specifies that the state sales and use tax on tangible personal property, which is levied and collected on certain remote sellers, is to be levied and collected for the benefit of the local governmental subdivisions and school boards which have constitutional authority to levy sales and use taxes.

Present law imposes a 4% state sales and use tax on tangible personal property which is to be levied and collected from vendors who qualify as dealers in La. solely by virtue of engaging in regular or systematic solicitation of a consumer market in La. by the distribution of catalogs or other advertising, or by means of print, radio or television media, or other communication system.

Present constitution authorizes the governing authority of any local governmental subdivision or school board to levy and collect a tax upon the sale at retail, the use, the lease,

or rental, the consumption, and the storage for use or consumption of tangible personal property and on sales of services as defined by law.

Proposed constitutional amendment specifies that the tax imposed by present law is to be levied and collected for the sole benefit of all local governmental subdivisions and school boards which are granted the authority to levy sales and use tax pursuant to present constitution. Further, the avails of such tax, except for an administrative fee that may be imposed, shall be distributed to each parish in a manner to be prescribed by law. Proposed constitutional amendment provides that the transactions taxable under the tax described in proposed constitutional amendment for purposes of that tax only, shall be excluded transactions for purposes of taxing authority of local governments and school boards pursuant to present constitution.

(Adds Const. Art. VII, §3.1)