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## DIGEST

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HB 54 Engrossed

2016 First Extraordinary Session

Broadwater

**Abstract:** Requires advance sales tax deposits by certain dealers and authorizes a credit or refund in certain circumstances.

Present law provides for returns and monthly or quarterly payment of sales tax by dealers. Further requires certain reporting relative to sales by dealers. Authorizes a vendor's compensation of 0.935% of the sales tax remitted by a dealer for timely remitting the sales tax. Requires registration by certain nonresident contractors. Provides for payment of the tax by a licensed vehicle dealer.

Proposed law retains present law and requires dealers who have an average monthly sales and use tax liability of at least \$20K between April 1, 2015, and March 30, 2016, to remit an advance sales tax deposit beginning on April 20, 2016, and then on the 20<sup>th</sup> day of every month thereafter. Further authorizes the secretary to assess a penalty for failure of a dealer to timely remit.

Proposed law authorizes two methods by which a dealer may determine the amount of the advance sales tax deposit to be remitted.

Proposed law authorizes the "actual sales method" by which a dealer is required to remit an advance sales tax deposit in an amount equal to at least 90% of the dealer's sales and use tax liability collected for the 1<sup>st</sup> through 15<sup>th</sup> of the current month.

Proposed law further authorizes the "estimated sales method" by which a dealer is required to remit an advance sales tax deposit in an amount equal to at least 75% of the dealer's sales and use tax liability for the comparable month of the preceding year.

Proposed law requires any adjustments necessary for proper reporting and payment of tax collected to be completed with the monthly return due on the 20<sup>th</sup> day of the month following the month in which the advance sales tax deposit was made.

Proposed law authorizes a credit or refund of any advance sales tax deposit collected in excess of the actual tax due, but prohibits a credit or refund on any advance sales tax deposit prior to the dealer filing the return for the actual sales taxes collected during the month for which the advance sales tax deposit applied.

Proposed law exempts any agency, department, or instrumentality of the U.S. government or any agency, department, institution, instrumentality, or political subdivision of the state.



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

(Adds R.S. 47:306(B))

Summary of Amendments Adopted by House

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

1. Delete all proposed law in the original bill.
2. Require dealers who have an average monthly sales and use tax liability of at least \$20K between April 1, 2015, and March 30, 2016, to remit an advance sales tax deposit beginning on April 20, 2016, and then on the 20<sup>th</sup> day of every month thereafter and authorize the secretary to assess a penalty for failure to remit timely.
3. Authorize the "actual sales method" requiring a dealer to remit an advanced sales tax deposit in an amount equal to at least 90% of the dealer's sales and use tax liability collected for the 1<sup>st</sup> through 15<sup>th</sup> of the current month.
4. Authorize the "estimated sales method" requiring a dealer to remit an advanced sales tax deposit in an amount equal to at least 75% of the dealer's sales and use tax liability for the comparable month of the preceding year.
5. Require any adjustment to be completed with the monthly return due on the 20<sup>th</sup> day of the month following the month in which the advanced sales tax deposit was made.
6. Authorize a credit or refund for any advance sales tax deposit collected in excess of the actual tax due, but require the dealer to file the return for the actual sales taxes collected prior to issuance of a credit or refund.
7. Exempt any agency, department, or instrumentality of the U.S. government or any agency, department, institution, instrumentality, or political subdivision of the state from the provisions of proposed law.