

2018 Third Extraordinary Session

HOUSE CONCURRENT RESOLUTION NO. 7

BY REPRESENTATIVE STOKES

A CONCURRENT RESOLUTION

To establish the Sales Tax Streamlining and Modernization Commission, as the successor to the commission established by Act No. 405 of the 2015 Regular Session of the Legislature, to continue the comprehensive study of Louisiana's state and local sales and use tax systems.

WHEREAS, the statutory authority for the Sales Tax Streamlining and Modernization Commission established by Act No. 405 of the 2015 Regular Session of the Legislature terminates on June 30, 2018; and

WHEREAS, the sales and use taxes on tangible personal property, services, rentals, and leases, hereinafter referred to as "sales tax", represent one of Louisiana's two major revenue sources and provide a substantial portion of state general fund receipts, and sales tax is the main source of revenue for most of Louisiana's local governments; and

WHEREAS, the average combined sales tax rate of 10.02% for Louisiana was the highest in the nation as reported by the Tax Foundation in 2018; and

WHEREAS, there exist significant structural issues impacting the state and local sales taxes, which include legislative actions that adversely impact the tax base, a distinct shift away from a goods-based to a services-based economy, and an increasing shift from "brick and mortar" retail transactions to e-commerce purchases; and

WHEREAS, the legislature recognizes that it is good public policy to contemplate modernization of the sales tax structure to reflect the twenty-first century economy as a way to aid in stabilizing the sales tax as a revenue source for the state and its local governments; and

WHEREAS, the recent United States Supreme Court decision in *South Dakota v. Wayfair, Inc., et al.* on June 21, 2018, regarding South Dakota's requirements for certain out-of-state sellers to collect and remit sales taxes in the same manner as if the seller had a physical presence in the state necessitates further examination of Louisiana's state and local sales tax structure.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby create the Sales Tax Streamlining and Modernization Commission, hereinafter referred to as "commission", as the successor commission to the commission established by Act No. 405 of the 2015 Regular Session of the Legislature, to continue the comprehensive study of Louisiana's state and local sales tax systems, and to make recommendations to the legislature regarding revision of practices, administrative procedure, statutory law, and the Constitution of Louisiana, all for the purpose of streamlining and modernizing the vital sales tax revenue source for the state and its local governments.

BE IT FURTHER RESOLVED that the commission's recommendations shall encompass an overall goal of ensuring both revenue stability and taxpayer equity through the adoption of proven contemporary tax policies.

BE IT FURTHER RESOLVED that the commission shall consist of the following members:

- (1) The speaker of the House of Representatives or his designee.
- (2) The president of the Senate or his designee.
- (3) The chairman of the House Committee on Ways and Means or his designee.
- (4) The chairman of the Senate Committee on Revenue and Fiscal Affairs or his designee.
- (5) A member appointed by the Police Jury Association of Louisiana.
- (6) A member appointed by the Louisiana Municipal Association.
- (7) A member appointed by the Louisiana School Boards Association.
- (8) A member appointed by the Louisiana Association of Tax Administrators.
- (9) A member appointed by the Louisiana Sheriffs Association.
- (10) A member appointed by the Louisiana Multiparish Tax Commission.
- (11) A member appointed by the Louisiana Association of Business and Industry.
- (12) A member appointed by the Louisiana Retailers Association.

(13) A member appointed by the Louisiana Automobile Dealers Association.

(14) A member appointed by the National Federation of Independent Business.

(15) A member appointed by Louisiana Industrial Development Executives Association.

(16) A member appointed by Society of Louisiana Certified Public Accountants.

(17) A member appointed by the Public Affairs Research Council of Louisiana.

(18) A member appointed by the Tax Foundation.

(19) The secretary of the Department of Revenue or his designee.

(20) The legislative auditor or his designee.

BE IT FURTHER RESOLVED that the members of the commission shall serve without compensation except for reasonable and necessary expenses related to the performance of their duties as members of the commission, and then only in such amounts as is provided by law for state employees and officials, or per diem or expense reimbursement to which they may be individually entitled as members of their constituent organizations.

BE IT FURTHER RESOLVED that the commission shall conduct meetings as necessary to fulfill its functions and duties.

BE IT FURTHER RESOLVED that the chairman of the commission established by Act No. 405 of the 2015 Regular Session of the Legislature shall convene the first meeting of the commission and at that meeting, the commission shall elect a chairman and a vice chairman and any other officers it deems necessary.

BE IT FURTHER RESOLVED that the following organizations shall assist the commission with staff support as may be required:

(1) The Department of Revenue.

(2) The House of Representatives, Senate, Legislative Fiscal Office, and Legislative Auditor's Office.

BE IT FURTHER RESOLVED that the commission shall submit its report of recommendations to the governor, the president of the Senate, and the speaker of the House of Representatives no later than March 15, 2019, and may submit additional reports as it deems necessary.

BE IT FURTHER RESOLVED that the commission shall terminate on July 1, 2019.

BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to each appointing authority.

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES

---

PRESIDENT OF THE SENATE