
DIGEST

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HB 581 Original

2020 Regular Session

Echols

Abstract: Beginning January 1, 2022, transfers the responsibility for the collection of local sales and use taxes to the secretary of the Dept. of Revenue. Establishes a local tax parish auditor and the Parish Local Tax Auditor Board.

Present law creates the Dept. of Revenue (DOR) which is responsible for assessing, evaluating, and collecting state taxes including state sales and use taxes.

Proposed law retains present law but adds responsibility for DOR to be the central collector of local taxes including local sales and use taxes and occupational license taxes.

Present law provides for an office within DOR designated as group I which is responsible for the administration and assessment of individual income taxes and state sales taxes. Proposed law retains present law but designates group I as the office that shall have authority within the DOR over the collection of local taxes.

Proposed law retains present law related to DOR's powers, duties, and responsibilities necessary to collect and administer state sales and use taxes. Proposed law expands DOR's powers, duties, and responsibilities to include the collection of local taxes.

Proposed law repeals provisions related to the collection of local sales and use taxes collected by local single collectors and local central collection commissions as provided for in the present constitution and present law.

Proposed law authorizes the secretary of the Dept. of Revenue and staff as the central collector for state sales and use tax and local taxes effective January 1, 2022.

Proposed law provides that all the powers and duties conferred to the secretary of the DOR related to the collection of taxes shall apply to the collection of local taxes.

Proposed law defines local tax as any local sales or use tax or occupational license tax levied by a political subdivision authorized to do so. Proposed law defines political subdivision as any political subdivision that is authorized by the constitution and the laws of the state to levy and impose a local tax.

Proposed law retains present law that states local sales and use taxes are due and payable on the first day of the month, and returns must be submitted to the collector on or before the 20th day of the

month.

Proposed law requires the collector remit to remit monthly local taxes collected to the political subdivision, less any refunds and amounts retained to pay for the administration of collection.

Proposed law requires that taxes collected by electronic means be remitted to the political subdivision within four days of receipt and taxes collected by check shall be remitted to the political subdivision within 20 days of receipt.

Proposed law provides that money collected by the collector on behalf of political subdivisions remains the property of the respective political subdivision and is deemed held in trust for the political subdivision by the collector.

Proposed law requires the collector retain 1% of the total local sales and use taxes collected in each parish as compensation for the collection. This money is retained by the department on a monthly basis from current collections prior to remitting to the political subdivision.

Proposed law requires the collector withhold one quarter of 1% of the total local sales and use taxes collected in each parish for the purpose of compensating the parish auditor.

Proposed law requires the collector to provide and maintain an electronic and downloadable database of products and tax rates for every delivery address in the state.

Proposed law provides that no later than Feb. 1, 2022, every political subdivision levying a local tax shall provide the collector with a copy of all local ordinances imposing a local tax in the parish. Proposed law requires the political subdivision to forward notice to the collector of any change in any rate within 10 days after approval of the change.

Proposed law requires the collector to provide a monthly report of the taxes collected and the cost of the collection to each political subdivision and the corresponding parish auditor.

Proposed law provides that upon the request of a political subdivision or parish auditor the collector shall make an additional quarterly report that includes the amount of tax due from taxpayers doing business in the political subdivision who have failed to pay the taxes determined to be due by the collector and any action the collector has taken with regard to that taxpayer.

Proposed law authorizes that an aggrieved taxpayer to appeal to the Board of Tax Appeals for a redetermination of the assessment or alleged overpayment.

Proposed law establishes a Parish Local Tax Auditor for the purpose of reviewing the collector and the collector's staff in the execution of the collection of local sales and use taxes.

Proposed law authorizes each sheriff to choose and hire an auditor who possess or has attained any of the following:

1. An active certified public accountant license.
2. A bachelor's degree with a minimum of 18 hours of accounting.
3. An active certified tax examiners certificate issued by the La. Association of Tax Administrators.
4. A minimum of 6 years of experience with state or local sales and use tax.

Proposed law provides that a parish auditor may investigate the collector at any time and a political subdivision or sheriff may request the auditor to initiate an investigation of the collector. Proposed law further provides that if such a request is made the auditor shall respond to the request for an investigation within 10 days and the investigation shall take place no later than 20 days after the response. The auditor shall make detailed reports to the local taxing authorities and the sheriff specifically setting forth his findings.

Proposed law requires that any tax information furnished by DOR to the auditor shall be considered confidential and privileged. Any person who divulges such information shall be in violation of present law.

Proposed law establishes the scope of any investigation of the collector by the auditor and that upon completion of the investigation, all information shall be returned to the collector.

Proposed law requires each parish auditor to be a member of the Parish Local Tax Auditor Board.

Proposed law creates the Parish Local Tax Auditor Board and mandates that the board consist of all Parish Local Tax Auditors in the state and that the board meetings shall be held in the La. State Capitol. Proposed law further requires that for the first year, the board shall meet monthly and after the first year the board shall meet quarterly.

Proposed law provides that members shall serve without compensation but may be reimbursed for expenses. The board shall elect a president, vice president, secretary, and a treasurer.

Proposed law provides the board may assist political subdivisions with challenges against the collector, issue policy advice with DOR, prescribe uniform model procedures for parish auditors. The board may hire employees to assist in their work.

Proposed law requires each sheriff to name a Parish Local Tax Auditor no later than July 1, 2021.

Proposed law requires the Parish Local Tax Auditor Board to hold its organizational meeting no later than October 1, 2021 and elect its officers.

Proposed law terminates the board on June 30, 2027.

(Amends R.S. 36:451(B) and 458(B) and R.S. 47:301(2), (10)(a)(ii), (14)(i), and (25), 302(K)(4), (6) and (7)(a)(ii), and (W)(1), 303.1(C) through (H), 306(A)(1)(a) through (c) and (5) and (D)(1)(c)

and (3), 306.1, 307(A), 308(A), 309(A)(1), 311 through 314, 337.2(A)(1)(b), (C)(introductory paragraph), (1)(a), (c), and (d), (3), and (4)(a)(ii) and (b)(i), (iii), and (iv), 337.4(A) and (C), 337.5, 337.6(A)(2), 337.9(E)(2) and (4), 337.15(A)(2), 337.19(A), 337.87(A), 338.1(A)(1)(introductory paragraph), 1439(D)(2) and (3), 1541(D)(2)(introductory paragraph), 1542.2(A), 1561(A)(introductory paragraph) and (4), 1561.1(A), 1566(A), 1567, 1569, 1570, 1574(introductory paragraph) and (1), 1575, 1577(A), 1579, 1580(A) and (C)(2), 1581, 1582(A), 1601(A)(1) and (2)(d), 1604, 1604.1(A), (C), and (D)(2), 1604.2, 1641, 1642(introductory paragraph), and 1673; Adds 47:337.2(C)(1)(e) and (f), 1695.1 through 1695.4; Repeals R.S. 47:337.4(D), 337.13, 337.13.1, 337.18, 337.20 through 337.23, 337.25 through 337.63, 337.65 through 337.85, and 337.91 through 337.102)