

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **SB 138** SLS 20RS 347
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 29, 2020	1:12 PM	Author: ALLAIN
Dept./Agy.: Revenue		Analyst: Benjamin Vincent
Subject: Marketplace Facilitators: Sales & Use Tax Collections		

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 Provides for sales and use tax collection by marketplace facilitators. (7/1/20)

Present law requires dealers to collect, file, and remit consumer use tax collections related to remote seller transactions.

Proposed law includes marketplace facilitators under the definition of remote sellers and requires marketplace facilitators to register, calculate remote sales and determine taxability, collect and electronically file and remit sales and use tax to the Sales and Use Tax Commission for Remote Sellers for taxable remote sales, when the facilitator transacts on its own behalf or facilitates a transaction for delivery into the state. Proposed law repeals the requirement for dealers to file all applicable returns and remittances, but allows marketplace facilitators to enter contractual agreements to allow certain marketplace sellers to collect and remit to the Commission under certain conditions.

Effective July 1, 2020.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Present law provides that effective July 1, 2020, remote sellers and marketplaces will be required to file and collect at the appropriate tax rate for every applicable jurisdiction.

Proposed law would effectively shift responsibility for calculation, reporting, filing and remittance from marketplace remote sellers to marketplace facilitators, for applicable transactions. It would allow marketplace facilitators to enter agreements with certain large dealers that would allow the dealers to collect and remit applicable taxes on their sales through the marketplace.

Sales tax from sellers without physical presence in the state (remote sales broadly considered) has been accumulating in total state and local sales tax receipts for a number of years. While contained in aggregate tax receipts, at the state level, no significant effect on tax receipts has been discernible. To the extent that proposed law enhances compliance and enforcement, state and local revenues may increase, but potential revenue gains are speculative.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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