
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 523 Original

2025 Regular Session

Romero

Abstract: Authorizes municipalities to compensate dealers for accounting for and remitting local sales taxes at the rate specified in the local ordinance adopted by the political subdivision.

Present law provides for the levy, collection, and remittance of local sales and use taxes. Further requires taxes levied by local ordinance to be due and payable monthly on the first day of the month. All dealers are required to transmit to the collector, on or before the 20th day of the month following the month in which the tax is due returns showing the gross sales, purchases, gross proceeds from lease or rental, gross payments for lease or rental, gross proceeds derived from sales of services, or gross payments for services, as the case may be, arising from all taxable transactions during the preceding calendar month.

Proposed law retains present law and authorizes each dealer to be compensated for collecting and remitting the tax levied by the local ordinance at a rate specified in the local ordinance in the form of a deduction in submitting the sales tax report to the collector and paying the amount due, provided the amount due was not delinquent at the time of payment. Proposed law prohibits any credit amounts claimed for taxes already paid to a wholesaler from being deducted in computing the compensation allowed the dealer.

Present law authorizes a taxpayer to file a sales and use tax return of a taxing authority and remit any tax, interest, penalty, or other charge due by means of the uniform electronic local return and remittance system as established in present law. Further provides that the system by which such taxpayers file electronically and pay their taxes shall be managed, maintained, and supervised by the La. Uniform Local Sales Tax Board.

Present law requires the system to allow taxpayer to file a sales and use tax return that is uniform for each taxing authority except for items such as the rate of the taxing authority's tax and optional exclusions or exemptions allowed by state sales and use tax law, adopted by a local ordinance.

Proposed law retains present law but adds the amount of vendor's compensation allowed to a dealer for collection and remittance of local sales and use taxes to the items that are exempted from uniformity requirements.

Present law establishes the La. Sales and Use Tax Commission for Remote Sellers, (commission) within the Dept. of Revenue for the administration and collection of sales and use taxes imposed by the state and political subdivisions with respect to remote sales. The commission shall have the power, duty, and authority to require remote sellers and qualifying nonremote sellers to register with

the commission.

Proposed law retains present law and adds requirement that vendor's compensation be allowed as a deduction against tax due if the sales tax return is filed timely and all taxes shown due on the return are remitted on or before the 20th day of the month following the month of collection. Proposed law further requires the commission to apply each taxing jurisdiction's specific rate of vendor's compensation as a deduction against tax due and shall reduce the monthly distribution provided for in present law to the political subdivision accordingly.

Applicable to all taxable transactions occurring on or after July 1, 2025.

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

(Adds R.S. 47:337.2(B)(3)(e), 337.18(A)(3), 337.23(C)(1)(a)(ii), and 340(G)(6)(d))