



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 162** SLS 25RS 332

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

Date: June 9, 2025	4:36 PM	Author: REESE
Dept./Agy.: Revenue		
Subject: Sales/Use Tax Collection and Administration		Analyst: Mimi Blanchard

TAX/SALESREF SEE FISC NOTE SD EXPage 1 of 1

Provides relative to the collection and administration of sales and use taxes. (gov sig)

Current law provides the definition of 'dealer' to include any person who sells for delivery into Louisiana tangible personal property, digital products, or services, and who does not have a physical presence in Louisiana, if during the previous or current calendar year the person’s gross revenue from such sales exceeds \$100,000. Current law excludes the furnishing of rental cars by rental car companies as marketplace facilitators.

Proposed law amends this definition by replacing 'products transferred electronically' with 'digital products' and removing unnecessary language already defined by federal law. It also updates references to economic nexus thresholds. Proposed law authorizes vendor's compensation as a deduction against taxes due on a return, provided all taxes due are remitted timely. The Louisiana Sales and Use Tax Commission for Remote Sellers is also authorized to apply each jurisdiction’s specific rate of vendor's compensation as a deduction and adjust monthly distributions accordingly. Proposed law includes the furnishing of rental cars by rental car companies as marketplace facilitators. Effective August 1, 2025.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
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Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

The Remote Sellers Commission (RSC) reports that proposed law will not result in additional expenditures if it only transfers the collection authority for state and local sales tax on the furnishing of rental cars by rental car companies from the Department of Revenue (LDR) to RSC. In that case, RSC anticipates no change in overall tax collections, as these taxes are already being collected by state and local governments.

R.S. 47:551 (not specifically referenced in the bill) imposes a separate Automotive Rental Tax currently collected by the LDR, although proposed law does not appear to transfer that collection authority to the RSC. However, if the collection of this tax were transferred to RSC under this bill due to the change in definition of marketplace facilitator, RSC anticipates an increase in expenditures of approximately \$350,000 in FY 26, including \$250,000 for system development and \$100,000 (salary and related benefits) for one Administrative Supervisor position to manage the expanded responsibilities. Assuming a 3% annual market rate adjustment, expenditures for the position are estimated at \$103,000 in FY 27, \$106,000 in FY 28, \$109,000 in FY 29, and \$112,000 in FY 30. These costs would increase the Commission’s existing budget (reflected as “Other Expenditures” since RSC is not included in the state budget) and are expected to be funded by an increase in RSC’s retention of 1% of occupancy tax collections as authorized in the bill.

REVENUE EXPLANATION

The Remote Sellers Commission (RSC) retains a 1% collection fee and will do so under this bill as it is charged with collecting state and local sales taxes for the furnishing of rental cars by rental car companies under the bill. The bill may increase the total amount subject to the commission’s 1% fee. Local revenue may decline temporarily by the RSC fee amount. However, the fee is in place to fund RSC operations, which it has done prior to this bill, and the remainder of fee collections have routinely been returned to the local taxing authority, which is expected to continue to occur.

The Remote Seller Commission reports that they already authorize vendors compensation for the state and certain local taxing authorities, therefore no additional costs are reported pertaining to this portion of proposed law.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<div>Deborah Vivien Chief Economist</div>