

2015 Regular Session

SENATE BILL NO. 111

BY SENATOR GALLOT

FUNDS/FUNDING. Creates the Out-of-State Sales Tax Collection Fund in the state treasury and dedicates certain proceeds from implementation as a result of a federal law which will require vendors located out-of-state to collect sales tax on their Internet, mail order, or other sales into the state. (gov sig)

AN ACT

To enact Chapter 2-E of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 47:339, relative to the sales and use tax of the state; to provide for a dedication of certain sales and use taxes to the Out-of-State Sales Tax Collection Fund; to provide for disposition and appropriation of money in the fund; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Chapter 2-E of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:339, is hereby enacted to read as follows:

CHAPTER 2-E. OUT-OF-STATE SALES TAX COLLECTION FUND

§339. Dedication of increased sales tax collections from Internet and mail-order sales; Out-of-State Sales Tax Collection Fund

A. The secretary of the Department of Revenue shall provide written notification to the commissioner of administration and to the chairs of the Senate Committee on Finance and the House Committee on Appropriations of the effective date of any federal law which the secretary determines will directly or indirectly cause or require vendors located out-of-state to collect and remit

1 Louisiana state sales and use tax on their Internet, mail order, or other sales
2 into the state.

3 B.(1) The estimated amount of state sales and use taxes collected from
4 vendors located out-of-state on Internet, mail order, or other sales into the state
5 because of a federal law as provided for in Subsection A of this Section shall be
6 deposited upon receipt in the state treasury.

7 (2) After compliance with the requirements of Article VII, Section 9(B)
8 of the Constitution of Louisiana relative to the Bond Security and Redemption
9 Fund and prior to any money being placed into the general fund or any other
10 fund, an amount equal to that deposited as required by Paragraph (1) of this
11 Subsection shall be credited by the treasurer to a special fund hereby created
12 in the state treasury to be known as the Out-of-State Sales Tax Collection Fund.
13 Subject to an annual appropriation by the legislature, monies in the fund shall
14 be allocated and restricted to the following purposes:

15 (a) Seventy-five percent shall be used for public institutions of higher
16 education for operational expenses.

17 (b) The remaining twenty-five percent shall be used for the provision of
18 health care services.

19 (3)(a) The money in the fund shall be invested by the treasurer in the
20 same manner as money in the state general fund and interest earned on the
21 investment of the money shall be credited to the fund after compliance with the
22 requirements of Article VII, Section 9(B) relative to the Bond Security and
23 Redemption Fund.

24 (b) All unexpended and unencumbered money in the fund at the end of
25 the fiscal year shall remain in the fund.

26 Section 2. This Act shall become effective upon signature by the governor or, if not
27 signed by the governor, upon expiration of the time for bills to become law without signature
28 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
29 vetoed by the governor and subsequently approved by the legislature, this Act shall become

1 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

SB 111 Original	DIGEST 2015 Regular Session	Gallot
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Proposed law requires the secretary of the Department of Revenue shall provide written notification to the commissioner of administration and to the chairs of the Senate Committee on Finance and the House Committee on Appropriations of the effective date of any federal law which the secretary determines will directly or indirectly cause or require vendors located out-of-state to collect and remit Louisiana state sales and use tax on their Internet, mail order, or other sales into the state.

Proposed law creates the Out-of-State Sales Tax Collection Fund in the state treasury to receive the estimated amount of state sales and use taxes collected from vendors located out-of-state on Internet, mail order, or other sales into the state because of a federal law after compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund.

Proposed law provides that the money in the fund shall be appropriated by the legislature to be allocated and restricted to the following purposes:

- (1) 75% shall be used for public institutions of higher education for operational expenses.
- (2) The remaining 25% shall be used for the provision of health care services.

Present law provides that interest earnings on the fund shall be credited to the fund and all unexpended unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

Effective upon signature of governor or expiration date of gubernatorial action.

(Adds R.S. 47:339)