

2025 Regular Session

SENATE BILL NO. 112

BY SENATOR JACKSON-ANDREWS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/TAXATION. Authorizes a deduction as compensation for certain dealers and remote sellers that collect and remit sales and use taxes. (7/1/25)

1 AN ACT

2 To enact R.S. 47:337.2(B)(3)(e), 337.18(A)(3), 337.23(C)(1)(a)(ii) and 340(G)(6)(d),
3 relative to sales and use tax; to authorize compensation for certain dealers and
4 remote sellers for the collection and remittance of taxes; to provide compensation in
5 the form of a deduction against taxes due; to authorize compensation at the rate or
6 percentage as specified in law; to require the inclusion of compensation as a
7 deduction on certain returns; to provide for an effective date; and to provide for
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:337.2(B)(3)(e), 337.18(A)(3), 337.23(C)(1)(a)(ii), and
11 340(G)(6)(d) are hereby enacted to read as follows:

12 §337.2. Intent; application and interpretation of Chapter

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14 B.(1) * * *

15 (3) Other provisions of law or local ordinance shall control and be applicable
16 only with respect to the following:

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(e) Vendor's compensation.

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§337.18. Returns and payment of tax; penalty for absorption

A. * * *

(3) For the purpose of compensating the dealer in accounting for and remitting the tax levied by the local ordinance, each dealer shall be allowed compensation at the rate specified in the local ordinance in the form of a deduction in submitting his report and paying the amount due by him, provided the amount due was not delinquent at the time of payment. The amount of any credit claimed for taxes already paid to a wholesaler shall not be deducted in computing the compensation allowed by the dealer.

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§337.23. Uniform electronic local return and remittance system; official record of tax rates and exemptions; filing and remittance of local sales and use taxes; penalties for violations

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C. The uniform electronic local return and remittance system and the posting of the information required by Subsection H of this Section shall be managed, maintained, and supervised by the board with the advice of the advisory committee and the secretary, and the system shall include the following:

(1)(a) The system shall allow the taxpayer to file a sales and use tax return that is uniform for each taxing authority except for the following:

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(ii) The vendor's compensation allowed.

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§340. Louisiana Sales and Use Tax Commission for Remote Sellers; members; powers

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G. The commission shall have the power, duty, and authority:

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(6) To require remote sellers and qualifying nonremote sellers to register with the commission.

(d) Vendor's compensation shall be allowed as a deduction against tax due if the return is filed timely on or before the twentieth day of the month following the month of collection and all tax shown due on the return is remitted on or before the twentieth day of the month following the month of collection. The commission shall 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 by Paragraph (E)(2) of this Section accordingly.

* * *

Section 2. This Act shall become effective on July 1, 2025, and shall be applicable to taxable periods beginning on and after July 1, 2025.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 112 Engrossed 2025 Regular Session Jackson-Andrews

Present law provides compensation to dealers for the collection and remittance of state sales and use taxes in the form of a deduction against taxes due on the state sales and use tax return.

Proposed law allows each dealer compensation in the form of a deduction against the taxes due at the local rate of vendor's compensation specified in local ordinances. Proposed law authorizes a dealer to claim the compensation through a deduction against local sales and use taxes due, if the return is filed timely on or before the 20th day of the month following the month of collection, and all tax shown due on the return is remitted on or before the 20th day of the month following the month of collection.

Proposed law prohibits sales and use taxes previously paid to a wholesaler from being claimed as compensation by a dealer.

Proposed law requires the inclusion of compensation as a deduction on certain returns managed and maintained by the Uniform Electronic Local Return and Remittance System for local sales and use taxes and by the Louisiana Sales and Use Tax Commission for Remote Sellers for state and local sales and use taxes.

Proposed law requires the Uniform Electronic Local Return and Remittance System to provide for compensation at the rate specified by local ordinances or other provisions of law.

Proposed law authorizes a deduction to compensate a remote seller for the collection and remittance of state and local sales and use taxes to the Louisiana Sales and Use Tax Commission for Remote Sellers.

Proposed law requires the Louisiana Sales and Use Tax Commission for Remote Sellers to provide for compensation at the rate specified by each taxing jurisdiction.

Effective on July 1, 2025, and applicable to taxable periods beginning on and after July 1, 2025.

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

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Eliminates the \$750 maximum amount for vendor's compensation for local sales and use taxes for each dealer operating one or more business locations within Louisiana.