
DIGEST

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HB 63 Engrossed

2017 Regular Session

Lance Harris

Abstract: Requires advance payment of sales tax to be collected and remitted by certain tobacco and alcoholic beverage wholesalers and authorizes compensation for those wholesalers collecting advance sales tax.

Present law provides for returns and monthly or quarterly payment of sales tax by dealers. Further requires certain reporting relative to sales by dealers. Authorizes a vendor's compensation of 0.935% of the sales tax remitted by a dealer for timely remitting the sales tax. Requires registration by certain nonresident contractors. Provides for payment of the tax by a licensed vehicle dealer.

Proposed law retains present law and requires collection of advance sales tax by wholesale dealers of tobacco products and alcoholic beverage products as defined in present law.

Proposed law requires the advance payment amount collected by the wholesaler from the dealer to be the same amount the dealer would be required to collect upon the sale of the item.

Proposed law authorizes dealers to deduct out of the sales tax collected upon the retail sale of an item that amount of advance sales tax paid by the dealer to the wholesaler for the item.

Proposed law authorizes wholesalers collecting advance sales tax to deduct 0.935% from the amount collected and remitted as compensation for the collection.

Proposed law prohibits local governing bodies from requiring advance sales tax collection.

Proposed law prohibits absorption of the tax by any wholesaler. Proposed law establishes a misdemeanor crime for absorption, punishable by a fine of not more than \$2,000, not more than two years in parish jail, or both.

Proposed law authorizes the secretary to promulgate rules to administer advance sales tax implementation.

Effective Oct. 1, 2017.

(Amends R.S. 47:306(A)(7); Adds R.S. 47:306(B))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Limit application of proposed law to wholesale dealers of tobacco and alcoholic beverage products.
2. Remove the optional exemption from payment of advance sales tax by dealers.
3. Change effective date from upon signature of governor to Oct. 1, 2017.