

2020 First Extraordinary Session

SENATE BILL NO. 21

BY SENATOR MCMATH

TAX/SALES. Provides for the amount of compensation dealers may retain for timely filing and remittance of state sales tax. (Item #30) (7/1/20)

1 AN ACT

2 To amend and reenact R.S. 47:306(A)(3)(a), relative to the compensation of persons  
3 required to collect state sales and use tax; to provide for the amount of compensation  
4 persons required to collect state sales and use tax may deduct for the purpose of  
5 remitting sales and use taxes; to provide for certain requirements and limitations; and  
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:306(A)(3)(a) is hereby amended and reenacted to read as follows:

9 §306. Returns and payment of tax; penalty for absorption

10 A. General provisions.

11 \* \* \*

12 (3)(a) For the purpose of compensating the dealer in accounting for and  
13 remitting the tax levied by this Chapter, each dealer shall be allowed ~~935~~ **one and**  
14 **one-tenth** percent of the amount of tax due and accounted for and remitted to the  
15 secretary in the form of a deduction in submitting his report and paying the amount  
16 due by him, provided the amount of any credit claimed for taxes already paid to a  
17 wholesaler shall not be deducted in computing the commission allowed the dealer

1 hereunder. The aggregate state compensation for a dealer who operates one or more  
 2 business locations within Louisiana shall not exceed one thousand ~~five~~ two hundred  
 3 dollars per calendar month **and shall not be less than fifteen dollars per month for**  
 4 **monthly filers**. This compensation shall be allowed only if the payment of the dealer  
 5 is timely paid and the return is timely filed. Notwithstanding any other provision of  
 6 law, the calculation of this deduction shall be based only on the taxes levied pursuant  
 7 to R.S. 47:302, 321, 331, and R.S. 51:1286. There shall be no compensation for the  
 8 taxes accounted for and remitted pursuant to R.S. 47:321.1 or any other sales tax  
 9 levied by the state.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Leonore Heavey.

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#### DIGEST

SB 21 Engrossed

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McMath

Present law imposes a 4.45% state tax upon the sale, use, consumption, storage, or rental of certain tangible personal property and services.

Present law provides that the dealer shall be allowed to deduct and retain .935% of the total amount of taxes due for the purpose of compensating the dealer for timely accounting for and remitting the tax.

Proposed law changes the amount dealers may deduct and retain to 1.1% of the total amount of taxes due.

Present law further provides the aggregate state compensation for a dealer shall not exceed \$1,500 per calendar month.

Proposed law reduces the maximum monthly deduction from \$1,500 to \$1,200 and provides that the minimum amount a dealer can deduct is \$15 dollars per month.

Present law provides that the calculation of the compensation shall be based only on the taxes levied pursuant to R.S. 47:302, 321, 331, and R.S. 51:1286. Proposed law retains present law.

Effective July 1, 2020.

(Amends R.S. 47:306(A)(3)(a))