The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Curry J. Lann.

DIGEST

SB 235 Engrossed   2022 Regular Session   Allain

Present law provides for the Louisiana Sales and Use Tax Commission for Remote Sellers, hereinafter referred to as "commission", created and established within the Department of Revenue for the administration and collection of the sales and use tax imposed by the state and political subdivisions with respect to remote sales.

Proposed law retains present law with respect to remote sellers, and beginning January 1, 2024, requires the commission to develop a single electronic return for all local taxing authorities in consultation with the Uniform Local Sales Tax Board and the Dept. of Revenue, and authorizes the commission to enter into contracts with collectors of local sales and use tax for the collection of tax on sales from qualifying nonremote sellers.

Proposed law defines "qualifying nonremote seller" as a nonremote seller that has a physical location in this state and is registered to file and remit local sales and use taxes pursuant to a local ordinance in two or more parishes.

Proposed law authorizes the commission to request an extension of the January 1, 2024 deadline if there is insufficient funding to carry out its new duties established under proposed law.

Present law funds the commission for its actual expenses with up to 1% of the tax collected from remote sales.

Proposed law authorizes the commission to retain up to 1% of all taxes it collects from both remote and nonremote sales to fund its operations.

Present law provides for funding of the Board of Tax Appeals and further provides that if consumer use tax collections yield insufficient revenue to fulfill dedications for interagency transfers to the Dept. of State Civil Service, Board of Tax Appeals, Local Tax Division, that the remaining funds first be an obligation of the Louisiana Uniform Local Sales Tax Board (the board), and if the board does not have sufficient funds, that the balance shall be an obligation of the commission as a necessary expense of the commission.

Proposed law removes the requirement that the board provide any deficit funding for the Local Tax Division.

Present law provides for the powers and duties of the commission with respect to remote sales and remote sellers.

Proposed law retains the commission's present law powers and duties and extends them to nonremote sales that the commission is authorized under proposed law by contract to collect.

Present law provides for limitations on the authority of the commission with respect to sales other than remote sales.

Proposed law retains the present law limitations on nonremote sales except for those nonremote sales that the commission is authorized under proposed law by contract to collect.

Present law provides that taxes on remote sales collected by the commission shall, at all times, be and remain the property of the respective taxing authorities and deemed held in trust for taxing authorities by the commission.

Proposed law retains present law and extends the provisions to taxes collected on nonremote sales that the commission is authorized under proposed law by contract to collect.

Proposed law deletes obsolete language in present law that authorized the Law Institute to change references.

Effective January 1, 2023.

(Amends R.S. 47:340(E)(3) and (5), (G)(1) - (5), (6) (intro para), (8), and (11), (H)(3), (12), and (13), and (I); adds R.S. 47:339.1)

Summary of Amendments Adopted by Senate

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

   1.   Requires the commission to develop a single electronic return for all local taxing authorities in consultation with the Uniform Local Sales Tax Board and the Dept. of Revenue by January 1, 2024.

   2.   Authorizes the commission to request an extension of the January 1, 2024 deadline if there is insufficient funding to carry out its new duties.

   3.   Removes provision that beginning January 1, 2023, agreements to collect remote sales tax under present law shall be suspended for all taxing authorities until their collector has entered into an agreement for the collection of tax on non-remote sales.

   4.   Removes the requirement that the Louisiana Uniform Local Sales Tax Board provide any deficit funding for the Local Tax Division of the BTA.

   5.   Provides for technical changes.