

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

**TAX/SALES & USE. Changes the state sales and use tax rate and provides for the taxability of sale and services**

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DIGEST

Present law imposes a 4% state tax upon the sale, use, consumption, storage, or rental of certain tangible personal property and services.

Present law provides that a dealer may deduct and retain an amount equal to 1.1% of taxes collected as compensation for accounting for and remitting the taxes in a timely manner.

Proposed law changes present law by changing the rate of dealer compensation from 1.1% to .935% of taxes collected.

Present law requires \$2 million of an amount equal to 37% of the vendor's compensation deduction to be deposited in the Marketing Fund.

Proposed law requires \$2 million of an amount equal to four-tenths of one percent of the proceeds of the 2 cent levy of the state sales tax to be deposited in the Marketing Fund.

Proposed law provides that it is the duty of the secretary of the Dept. of Revenue to collect taxes due upon the sale in La. of tangible personal property or services by a remote seller. Further, proposed law authorizes and directs the secretary to use all means available to ensure the collection of such taxes.

Applicable to taxable transactions occurring on and after July 1, 2013.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:306(A)(3); adds R.S. 47:302(U))

Summary of Amendments Adopted by House

House Floor Amendments to the original bill.

1. Deletes provisions governing tax exemptions and exclusions.
2. Deletes provisions regarding tax rates.
3. Deletes provisions regarding taxability of sales and use of certain property and services.
4. Adds provisions regarding collection of use taxes on La. sales by remote sellers.
5. Changes the limitation on the amount of dealer compensation from \$50 to \$100 per month.
6. Adds effectiveness provisions, including contingencies regarding other legislation.

Summary of Amendments Adopted by Senate

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

1. Reduces the rate of dealer compensation from 1.1% to .935% of taxes collected.
2. Removes the \$100 cap on the amount of dealer compensation allowed per month.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Switches the basis for calculating the deposit to the Marketing Fund from the vendor's compensation fund to the proceeds of the 2 cent levy of the state sales tax.
2. Deletes the provision that the proposed law would become operative only if a list of proposed constitutional amendments and other House bills were either concurred in or enacted into law.