

Regular Session, 2014

**Approved**  
**4-15-14**

HOUSE CONCURRENT STUDY REQUEST NO. 1

BY REPRESENTATIVE PUGH

TAX/SALES & USE: To study Louisiana's policy for the collection of sales and use taxes on taxable transactions involving a remote seller who is not obligated to collect sales tax at the time of sale

1                                 A CONCURRENT STUDY REQUEST

2 To request the House Committee on Ways and Means and the Senate Committee on  
3 Revenue and Fiscal Affairs to meet and to function as a joint committee to study  
4 Louisiana's policy for the collection of sales and use taxes on transactions involving  
5 a remote seller who is not obligated to collect sales tax at the time of sale and to  
6 report the findings of the joint committee to the legislature prior to the convening of  
7 the 2015 Regular Session of the Legislature of Louisiana.

8                 WHEREAS, the Louisiana sales tax is payable for taxable property and services at  
9 the time of sale, but many online sales involve remote sellers who, because of their location,  
10 are not obligated to collect the tax; and

11                 WHEREAS, Louisiana law provides that if the sales tax due on a taxable transaction  
12 is not collected by the dealer at the time of sale, the use tax is imposed and payable by the  
13 purchaser; and

14                 WHEREAS, the opportunity exists for many taxable transactions to occur with no  
15 tax ever paid; and

16                 WHEREAS, a taxable transaction occurring tax free has a negative fiscal impact on  
17 the state through direct reductions in state revenue from the loss of sales and use tax,  
18 estimated to be several hundred million dollars per year; and

1           WHEREAS, in addition to the loss of sales and use tax revenue, Louisiana also loses  
2 income tax revenue as Louisiana retailers are forced to close their businesses when they are  
3 unable to compete on a cost basis with a tax free transaction; and

4           WHEREAS, a taxable transaction occurring tax free has a negative social impact on  
5 the state in the permanent loss of Louisiana's local businesses; and

6           WHEREAS, the United States Congress is considering the Marketplace Fairness Act,  
7 which legislation would authorize states to require a remote seller to collect existing sales  
8 taxes on taxable transactions; and

9           WHEREAS, in exchange for granting states the authorization to require such tax  
10 collection, all versions of the legislation considered so far have required that the state have  
11 a simple tax system so that a remote seller might easily comply with collection requirements;  
12 and

13           WHEREAS, a study of current and future Louisiana policy regarding sales and use  
14 tax collection on online transactions is prudent so that any changes which may become  
15 necessary in order to exercise newly granted federal authority might be considered during  
16 the 2015 Regular Session of the Legislature of Louisiana.

17           THEREFORE, the Legislature of Louisiana requests the House Committee on Ways  
18 and Means and the Senate Committee on Revenue and Fiscal Affairs to meet and to function  
19 as a joint committee to study Louisiana's policy for the collection of sales and use taxes on  
20 transactions involving a remote seller who is not obligated to collect the sales tax at the time  
21 of sale and to report the finding of the joint committee to the legislature prior to the  
22 convening of the 2015 Regular Session of the Legislature of Louisiana.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

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Pugh

HCSR No. 1

Requests the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to study Louisiana's policy for the collection of sales and use taxes on transactions involving a remote seller who is not obligated to collect sales tax at the time of sale and to report the finding of the joint committee to the legislature prior to the convening of the 2015 R.S.