

GREEN SHEET REDIGEST

HB 471

2015 Regular Session

Stokes

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

TAX/SALES & USE. Establishes the Sales Tax Streamlining and Modernization Commission to perform a comprehensive study of Louisiana's state and local sales and use tax systems

Abstract: Establishes the Sales Tax Streamlining and Modernization Commission to perform a comprehensive study of Louisiana's state and local sales and use tax systems.

Proposed law establishes the Sales Tax Streamlining and Modernization Commission, hereinafter referred to as "commission", to perform a comprehensive study of La.'s state and local sales tax systems, and to make recommendations to the legislature regarding revision of practices, administrative procedure, statutory law, and La. constitution.

Proposed law requires that the recommendations of the commission contemplate an overall goal of ensuring both revenue stability and taxpayer equity through the adoption of proven contemporary tax policies which are based on the concept of a low tax rate with a broad base to be administered fairly and efficiently.

Proposed law provides for a 20 member commission, consisting of the following:

- (1) The speaker of the House of Representatives or his designee.
- (2) The president of the Senate or his designee.
- (3) The chairman of the House Committee on Ways and Means or his designee.
- (4) The chairman of the Senate Committee on Revenue and Fiscal Affairs or his designee.
- (5) A member appointed by the Police Jury Association of Louisiana.
- (6) A member appointed by the Louisiana Municipal Association.
- (7) A member appointed by the Louisiana School Boards Association.
- (8) A member appointed by the Louisiana Association of Tax Administrators.
- (9) A member appointed by the Louisiana Sheriffs Association.
- (10) A member appointed by the Louisiana Multiparish Tax Commission.
- (11) A member appointed by the Louisiana Association of Business and Industry.
- (12) A member appointed by the Louisiana Retailers Association.
- (13) A member appointed by the Louisiana Automobile Dealers Association.
- (14) A member appointed by the National Federation of Independent Business.
- (15) A member appointed by Louisiana Industrial Development Executives Association.
- (16) A member appointed by Society of Louisiana Certified Public Accountants.

- (17) A member appointed by the Public Affairs Research Council of Louisiana.
- (18) A member appointed by The Tax Foundation.
- (19) The secretary of the Department of Revenue or his designee.
- (20) The Legislative Auditor or his designee.

Proposed law provides that commission members shall serve without compensation except for their expenses related to the performance of their duties as members of the commission, and then only as authorized by law for state employees and officials, or per diem or expense reimbursement to which they may be individually entitled as members of their constituent organizations.

Proposed law requires that the commission meet monthly and hold its first meeting no later than July 31, 2015. A majority of the commission members shall constitute a quorum, and commission meetings shall be held at the state capitol and be public meetings pursuant to La. open meetings law.

Proposed law requires that the commission elect a chairman at its first meeting, and provides that the chairman shall prepare the schedules and agendas for meetings, and coordinate the staff support for the commission. The commission may obtain staff support from the following organizations:

- (1) La. Department of Revenue.
- (2) Staff of the House of Representatives, Senate, Legislative Fiscal Office, and Legislative Auditor's Office.

Proposed law authorizes the establishment of subcommittees.

Proposed law requires the commission to study the following:

- (1) State and local government sales tax bases and rates.
- (2) All special tax treatment against sales tax, inclusive of credits, deductions, discounts, exclusions, exemptions, and rebates.
- (3) State and local government sales tax collection and audit procedures.

Proposed law requires that after it has completed its studies, the commission shall prepare a report of its recommendations for any revision of current practices, administrative procedure, statutory law, and La. constitution. A recommendation which concerns the collection or administration of local sales and use taxes shall require 3/4 vote of all members of the commission. The commission's interim report shall be submitted to the governor, the president of the Senate, and the speaker of the House of Representatives no later than Jan. 15, 2016. The final report shall be prepared as determined by the commission.

Proposed law provides that the commission shall terminate on June 30, 2017.

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

(Adds R.S. 47:301.2)

Summary of Amendments Adopted by House

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

1. Add a requirement that, for purposes of the commission's report of its recommendations, a recommendation which concerns the collection or administration of local sales and use taxes shall require 3/4 vote of all members of the commission.
2. Deletes requirement that the commission consider the issue of centralized tax collection.

The House Floor Amendments to the engrossed bill:

1. Change the composition of the commission.
2. Add provision regarding per diem or expense reimbursement entitled to members by their constituent organizations.
3. Technical amendments.

Summary of Amendments Adopted by Senate

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

1. Adds the La. Legislative Auditor to the commission membership.