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## DIGEST

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HB 21 Original

2016 First Extraordinary Session

Broadwater

**Abstract:** Relative to the collection of state sales and use tax, provides for the rates and annual limits on amounts authorized for compensation of a dealer (a/k/a "vendor") for the collection, accounting, and remittance of state sales and use taxes.

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

Present law requires that a dealer either monthly or quarterly transmit to the Dept. of Revenue a tax return showing the gross sales, gross proceeds from lease or rental, gross payments for lease or rental, gross proceeds derived from sales of services, or gross payments for services, arising from all of their taxable transactions during the preceding calendar month. The return shall also include a computation of taxes due.

Present law authorizes a dealer to deduct and retain an amount equal to 0.935% of taxes collected as compensation for accounting for and remitting the taxes in a timely manner.

Proposed law changes the structure for the payment of dealer compensation by establishing two different rates of compensation and an aggregate annual limit on the amount of compensation payable to a dealer.

Proposed law retains the compensation rate of 0.935% of taxes collected, but limits the payments at this rate to \$10,000 per calendar year. Thereafter, a dealer may receive compensation of up to an additional \$10,000 per calendar year, but the rate is reduced to 0.50% of taxes collected and remitted.

Proposed law establishes an aggregate annual limit of \$20,000 per calendar year in compensation for a dealer who maintains one or more locations in La.

Applicable to all taxable transactions occurring on or after April 1, 2016.

Effective April 1, 2016.

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