
DIGEST

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HB 294 Original

2016 Regular Session

Hilferty

Abstract: Requires retailers not currently registered to collect and remit La. sales and use taxes to provide notice to La. residents who make electronic purchases that La. sales and use tax is due on nonexempt purchases.

Proposed law requires online and catalog retailers outside of La. to give notice to customers that they may owe sales and use taxes to the state for purchases made through their website, online auction site, or catalogs.

Proposed law defines "noncollecting retailers" as any retailer not currently registered to collect and remit state sales and use taxes who sells tangible personal property, services, or products electronically from outside of La. to be shipped to La. for use, storage, or consumption and who is not required to collect La. sales and use taxes.

Proposed law requires that the noncollecting retailer's notice contain information such as that the purchase is subject to state sales and use tax unless specifically exempted, that the purchase is not exempt merely because it was purchased over the internet, by catalog, or other remote means, and that the tax may be reported and paid on the La. use tax form.

Proposed law specifies that the notice required by proposed law shall be placed on a page necessary to facilitate the applicable transaction such as on the order form if the purchase is made via catalog or on the electronic order confirmation if the purchase is made over the internet. The notice shall include the following reference:

"See important Louisiana sales and use tax information regarding the tax you may owe directly to the state of La."

Proposed law exempts, with the exception of notification on an invoice, de minimis online auction websites and de minimis retailers which have total gross sales in La. of less than \$100,000 which reasonably expect La. sales in the current year to be less than \$100,000, from the requirements of proposed law.

Proposed law prohibits a retailer that does not collect the sales tax from claiming that the purchases are tax free and prohibits criminal penalties or civil liabilities for failure to comply with the requirements of proposed law.

(Adds R.S. 47:306(F))

