

---

## 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)]

---

HB 826 Original

2016 Regular Session

Abramson

**Abstract:** Transfers the responsibility for the collection, enforcement, and administration of local sales and use taxes to the secretary of the Dept. of Revenue beginning July 1, 2017.

Present constitution authorizes local governments and other political subdivisions to levy and collect sales and use taxes. Each parish is required to have a single tax collector or single collection commission for all taxing authorities in the parish.

Present law authorizes the secretary of the Dept. of Revenue ("secretary") to contract with the governing authority of a local taxing authority ("taxing authority"), at the request of the authority, to collect and enforce the collection of its sales and use taxes and related penalty, interest, or other charges.

Proposed law changes present law by requiring that all sales and use taxes levied by any taxing authority in the state shall be collected, administered, and enforced by the secretary, effective July 1, 2017. The secretary required to adopt rules and regulations and to prescribe forms for the collection, enforcement, and administration of all such taxes.

Proposed law requires the single collector in each parish, by Feb. 1, 2017, to provide the secretary copies of all local ordinances affecting sales and use taxes imposed in the parish. Further, a local taxing authority levying a sales and use tax shall notify the secretary within 10 days after approval, and no later than 75 days prior to the effective date of, any action concerning a new tax or the imposition of an existing tax.

Proposed law requires the state treasurer to deposit all local sales and use tax collections into special accounts in the state treasury which shall be established for each taxing authority. Each special account shall be interest bearing, with the interest accruing in favor of the taxing authority. Monies in the accounts shall not be considered to be state monies and shall not be subject to appropriation.

Proposed law requires the secretary to remit sales and use taxes promptly to the appropriate taxing authority. Further, the secretary is authorized to recover expenses associated with the collection of taxes from the appropriate taxing authority in an amount not to exceed 1% of the tax collected.

Proposed law requires the secretary to provide a quarterly report of taxes collected and the cost of collection to each taxing authority. A taxing authority is required to report to the secretary the names of persons it determines who are doing business in the jurisdiction of the taxing authority which are not included in the quarterly report.

Proposed law authorizes a taxing authority to request an additional report of persons doing business in the jurisdiction of the taxing authority who have failed to pay taxes due, which shall include information regarding partial payments, delinquent taxes, and steps taken to collect the tax due, and provides for the information to be included in the secretary's report.

Proposed law provides that the collection, enforcement, and administration by the secretary of sales and use taxes levied by a taxing authority is subject to the same provisions as state sales and use taxes regarding assessment, refunds, overpayments, redetermination of assessments, collection procedures, interest, and penalties.

Present law provides that each collector of each taxing authority of this state, who is charged by law with the duty of collecting a tax, shall be the proper party to bring suits in his official capacity for the collection of taxes.

Proposed law changes present law by providing that the secretary, in his capacity as collector, enforcer, and administrator of all local sales and use taxes, shall be the proper party to bring suits.

Proposed law redefines the designation of "local collector" or "collectors" in various places in the Uniform Local Sales Tax Code to conform to collection, enforcement, and administration by the secretary rather than the various single collectors for each parish.

Present law requires that any sales and use tax levied by taxing authorities located within a single parish may be collected by a single tax collector for that parish and provides for contract collection agreements and joint sales and use tax commissions as mechanisms for collection of local sales and use taxes. Further, a local collector is authorized to employ outside counsel to assist in the collection of taxes, penalties, and interest, and to represent the collector in disputes involving sales and use taxes.

Proposed law repeals present law.

Present law provides that local sales and use taxes shall be collected by a central collection commission in those parishes where a single collector has not been established by July 1, 1992, and provides for the composition and authority of the collection commission.

Proposed law repeals present law.

Effective Jan. 1, 2017, if the proposed amendment of Const. Art. VII, §3(C) contained in the Act which originated as House Bill No. \_\_\_ of this 2017 R.S. of the Legislature is adopted at the statewide election to be held on Nov. 8, 2017, and becomes effective.

(Amends R.S. 47:337.2(C)(3), (4)(a)(ii) and (b)(i)(bb)(II), 337.6(A), 337.16, 337.25, 337.64(A), 337.80(A)(intro. para.), and 337.87(A); Adds R.S. 47:337.22(E), 337.23(L); Repeals R.S. 47:337.13, 337.13.1, and 337.14)