

2020 Regular Session

HOUSE BILL NO. 428

BY REPRESENTATIVE ECHOLS

TAX/SALES & USE: (Constitutional Amendment) Authorizes the legislature to provide by law for the central collection of sales and use taxes

1 A JOINT RESOLUTION
2 Proposing to amend Article VI, Section 29(A) of the Constitution of Louisiana and to add
3 Article VII, Section 3(C) of the Constitution of Louisiana, relative to the collection
4 of sales and use taxes; to provide for the central collection of sales and use taxes; to
5 authorize the legislature to provide by law for the collection of sales and use taxes;
6 to provide for effectiveness; to provide for submission of the proposed amendment
7 to the electors; and to provide for related matters.

8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
9 elected to each house concurring, that there shall be submitted to the electors of the state of
10 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
11 amend Article VI, Section 29(A) of the Constitution of Louisiana, to read as follows:

12 §29. Local Governmental Subdivisions and School Boards; Sales Tax
13 Section 29.(A) Sales Tax Authorized. Except as otherwise authorized in a
14 home rule charter as provided for in Section 4 of this Article, the governing authority
15 of any local governmental subdivision or school board may levy and ~~collect~~ receive
16 a tax upon the sale at retail, the use, the lease or rental, the consumption, and the
17 storage for use or consumption, of tangible personal property and on sales of services
18 as defined by law, if approved by a majority of the electors voting thereon in an
19 election held for that purpose. The rate thereof, when combined with the rate of all

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 other sales and use taxes, exclusive of state sales and use taxes, levied and collected
2 within any local governmental subdivision, shall not exceed three percent.

3 * * *

4 Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members
5 elected to each house concurring, that there shall be submitted to the electors of the state of
6 Louisiana, for their approval or rejection in the manner provided by law, a proposal to add
7 Article VII, Section 3(C) of the Constitution of Louisiana, to read as follows:

8 §3. Collection of Taxes

9 Section 3.(A)

10 * * *

11 (C)(1)(a) Notwithstanding any provision of this constitution to the contrary,
12 the legislature may provide by law for the centralized collection of sales and use
13 taxes levied by all taxing authorities within the state.

14 (b) Any law establishing the procedure for centralized collection shall ensure
15 the prompt remittance of the respective tax monies collected by the state as the
16 central collector to the respective taxing authority identified on the taxpayers'
17 returns.

18 (2) Taxes collected by the state as the central collector shall not be
19 commingled with state monies nor be considered state money or state funds for
20 purposes of Section 9 of this Article. The tax monies collected are hereby deemed
21 to be the property of the taxing authority which imposed the tax.

22 (3) Absent the enactment for centralized collection as provided in this
23 Paragraph, such collection shall be as provided in Paragraph (B) of this Section.

24 * * *

25 Section 3. Be it further resolved that the provisions of this amendment shall become
26 effective on January 1, 2020.

27 Section 4. Be it further resolved that this proposed amendment shall be submitted to
28 the electors of the state of Louisiana at the statewide election to be held on November 3,
29 2020.

1 Section 5. Be it further resolved that on the official ballot to be used at the election,
2 there shall be printed a proposition, upon which the electors of the state shall be permitted
3 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
4 follows:

5 Do you support an amendment to authorize the legislature to provide by law
6 for the centralized collection of sales and use taxes levied in this state?
7 (Effective January 1, 2022) (Amends Article VI, Section 29(A); Adds Article
8 VII, Section 3(C))

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 428 Original

2020 Regular Session

Echols

Abstract: Authorizes the legislature to provide by law for the centralized collection of all sales and use taxes levied in La.

Present constitution authorizes any local governmental subdivision or school board to levy and collect taxes on the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the electors voting thereon in an election held for that purpose.

Present constitution requires that all local governing authorities which levy sales and use taxes within a parish agree among themselves to provide for the collection of their taxes by a single collector.

Proposed constitutional amendment changes present constitution by removing the authority of a local governmental subdivision to collect sales and use taxes it imposes, and instead permits the legislature to provide by law for the centralized collection of sales and use taxes.

Proposed constitutional amendment requires that any law establishing the procedure for centralized collection shall ensure the prompt remittance of the respective tax collected by the state as the central collector to the respective taxing authority identified on the taxpayers' returns.

Proposed constitutional amendment provides that the state, as the collector, shall not commingle the taxes of any nonstate taxing authority with state taxes. Proposed constitutional amendment further provides that the local collections are not state money or state funds.

Effective Jan. 1, 2022.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 3, 2020.

(Amends Const. Art. VI, §29(A); Adds Const. Art. VII, §3(C))