2021 Regular Session

HOUSE BILL NO. 562

### BY REPRESENTATIVE BOURRIAQUE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX APPEALS/BOARD: Provides relative to the Louisiana Uniform Local Sales Tax Board and the Louisiana Sales and Use Tax Commission for Remote Sellers

1	AN ACT
2	To amend and reenact R.S. 47:337.102(B)(3) and (5), (I)(1) and (3), and (K), and 340(A)
3	and (E)(5), and 1402(E)(1) and to repeal R.S. 47:340(I), relative to the administration
4	and adjudication of state and local sales and use taxes; to provide relative to sales
5	and use tax administration; to provide relative to the membership of the Louisiana
6	Uniform Local Sales Tax Board; to provide for the selection of officers of the
7	Louisiana Uniform Local Sales Tax Board; to provide for the funding of Louisiana
8	Uniform Local Sales Tax Board; to provide for a strategic plan for the Louisiana
9	Uniform Local Sales Tax Board; to provide for dedications related to the Louisiana
10	Sales and Use Tax Commission for Remote Sellers; to provide for agreements
11	relative to funding for the Louisiana Sales and Use Tax Commission for Remote
12	Sellers; to provide for membership and qualifications of the Board of Tax Appeals;
13	to provide for certain requirements and limitations; and to provide for related
14	matters.
15	Be it enacted by the Legislature of Louisiana:
16	Section 1. R.S. 47:337.102(B)(3) and (5), (I)(1) and (3), and (K), 340(A) and (E)(5),
17	and $1402(E)(1)$ are hereby amended and reenacted to read as follows:
18	§337.102. Louisiana Uniform Local Sales Tax Board; creation; membership;
19	powers and duties
20	* * *

## Page 1 of 6

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1

2 3 (3) The board member appointments provided for in Subparagraphs (B)(1)(e) 4 through (h) of this Section shall be made no later than August 31, 2017. Employees, 5 legal counsel, and vendors of a single parish collector's office shall not be eligible 6 for appointment to the board. Members appointed to the board pursuant to 7 Subparagraphs (B)(1)(e) through (h) of this Section shall serve at the pleasure of the 8 respective appointing authority. The appointing authorities shall coordinate their 9 appointments to the board in order that the board's membership is representative of 10 the diverse regions of the state and to ensure that no two members represent a single 11 parish. 12 13 (5) The board shall hold its organizational meeting no later than October 15, 14 2017, at which time it shall elect a chairman, vice chairman, and such other officers 15 as determined necessary at the first meeting by the board. 16 17 I. Funding. (1) The board shall be funded through a dedication of a 18 percentage of the total statewide collections of local sales and use tax on motor 19 vehicles, as provided for in an agreement with local collectors and in accordance 20 with the limitations provided in this Paragraph and the budgetary policy as provided 21 in Paragraph (2) of this Subsection. Monies shall be payable monthly from the 22 current collections of the tax. The dedication shall be considered a cost of collection 23 and shall be deducted by the state and disbursed to the board prior to distribution of 24 tax collections to local taxing authorities. The dedication shall be in addition to any 25 fee imposed by the office of motor vehicles for the collection of the local sales and 26 use tax on motor vehicles. The amount to be disbursed to the board in any fiscal year 27 after Fiscal Year 2018-2019 shall not, under any circumstances and notwithstanding 28 any budget adopted by the board, exceed the following: 29 (a) In Fiscal Year 2017-2018, one-fifth of one percent of the collections.

B. Board membership and organization.

1	(b) In Fiscal Year 2018-2019, one-quarter of one percent of the collections.
2	(c) In Fiscal Year 2019-2020 and each fiscal year thereafter, three-tenths of
3	one percent of the collections.
4	* * *
5	(3) If use tax collections pursuant to R.S. 47:302(K) yields yield insufficient
6	revenue to fulfill the dedication made pursuant to R.S. $47:302(K)(7)$ for interagency
7	transfers to the Department of State Civil Service, Board of Tax Appeals, and the
8	Local Tax Division, and there is no means of financing available to satisfy the
9	dedication pursuant to R.S. $47:340(E)(5)$ , the board shall pay any remaining amount
10	necessary to satisfy the dedication, which payment shall be made into the Local Tax
11	Division Expense Fund within the first thirty days of the fiscal year. The board is
12	also authorized to enter into an agreement with the Department of State Civil
13	Service, Board of Tax Appeals, or the Local Tax Division to pay in a like manner an
14	amount sufficient to compensate the Local Tax Division for workload increases.
15	* * *
16	K. The board shall adopt a strategic plan for its operations, which shall
17	include specific goals and objectives. The plan shall be adopted by July 1, 2018. The
18	strategic plan shall be updated not less than once every five fiscal years.
19	* * *
20	§340. Louisiana Sales and Use Tax Commission for Remote Sellers; members;
21	powers
22	A. The duties of the commission shall be exercised and discharged under the
23	supervision and direction of a commission with voting power and a non-voting
24	executive director, all of whom shall be appointed and shall serve as provided in this
25	Section:
26	* * *
27	E.
28	* * *

# Page 3 of 6

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(5)(i) If use tax collections pursuant to R.S. 47:302(K) yield insufficient
2	revenue to fulfill the dedication for the adjudication of local sales and use tax matters
3	that is made pursuant to R.S. 47:302(K)(7) for interagency transfers to the
4	Department of State Civil Service, Board of Tax Appeals, Local Tax Division, and
5	there is no means of financing available to satisfy the dedication pursuant to R.S.
6	47:337.102(I)(3), the remaining amount necessary to satisfy the dedication shall be
7	considered an actual expense of this commission pursuant to Paragraph (3) of this
8	Subsection, and payment of the interagency transfer due shall be made from local
9	sales and use tax collections of the commission. The payments due pursuant to this
10	Item shall be made within thirty days of the beginning of the fiscal year in
11	accordance with the provisions of R.S. 47:337.102(I)(3).
12	(ii) A part of the interagency transfer due pursuant to Section 2 of Act No.
13	198 of the 2014 Regular Session of the Legislature may be designated as an actual
14	expense of the commission pursuant to Paragraph (3) of this Subsection, and
15	payment of that designated part may agreed in writing between the board and the
16	secretary or her designee shall be made from state sales and use tax collections of the
17	commission. The payments due pursuant to this Item shall be made within thirty days
18	of the beginning of the fiscal year.
19	* * *
20	§1402. Membership of board; qualifications; appointment; term; vacancy; salary
21	* * *
22	E.(1) Notwithstanding any provision of law to the contrary, a board member
23	shall continue to serve until a successor has been appointed. No member may be
24	removed except by (a) induction into office of a successor, duly appointed and
25	qualified pursuant to this Section, upon expiration of a term of office or (b) for good
26	cause shown, which shall be subject to judicial review.
27	* * *
28	Section 2. R.S. 47:340(I) is hereby repealed in its entirety.

## Page 4 of 6

## 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 562 Original 20	021 Regular Session	Bourriaque
--------------------	---------------------	------------

Abstract: Makes changes to the administration of state and local sales and use tax collections, specifically through the Louisiana Uniform Local Sales Tax Board and the Louisiana Sales and Use Tax Commission for Remote Sellers.

<u>Present law</u> requires certain board member appointments for the La. Uniform Local Sales Tax Board (board) shall be made no later than Aug. 31, 2017.

Proposed law repeals present law.

Present law requires the board to hold its organization meeting no later than Oct. 15, 2017.

Proposed law repeals present law.

<u>Present law</u> provides the board shall be funded through a dedication of a percentage of the total statewide collections of local sales and use tax on motor vehicles.

<u>Proposed law</u> retains <u>present law</u>, but provides the funding of the board through certain dedications shall be as provided for in agreements with local collectors.

<u>Present law</u> provides for funding of the board through a dedication of a percentage of the total statewide collections of <u>local sales and use taxes on motor vehicles</u>, not to exceed:

- (1) In Fiscal Year 2017-2018, one-fifth of 1% of the collections.
- (2) In Fiscal Year 2018-2019, one-quarter of 1% of the collections.
- (3) In Fiscal Year 2019-2020 and each fiscal year thereafter, three-tenths of 1% of the collections.

<u>Proposed law</u> repeals provisions of <u>present law</u> pertaining to specific fiscal years and retains <u>present law</u> that provides any budget adopted by the board shall not exceed three-tenths of 1% of the collections.

<u>Present law</u> provides if tax collections yield insufficient revenue to fulfill dedications for interagency transfers to the Dept. of State Civil Service, Board of Tax Appeals, Local Tax Division the board shall pay any remaining amount necessary to satisfy the dedication. Further provides that the board is authorized to enter into an agreement with the Dept. of State Civil Service, Board of Tax Appeals or the Local Tax Division to pay an amount sufficient to compensate the Local Tax Division.

<u>Proposed law</u> retains <u>present law</u> and adds the stipulation that if tax collections yield insufficient revenue to fulfill the dedication and there is no means of financing available, the board shall pay any remaining amount necessary to satisfy the dedication.

<u>Present law</u> requires the board to adopt a strategic plan for operations.

Present law provides the strategic plan shall be adopted by July 1, 2018.

#### Page 5 of 6

<u>Proposed law</u> repeals <u>present law</u> and provides the strategic plan shall be updated not less than once every five fiscal years.

<u>Proposed law</u> further provides that payments to fulfill the dedication for interagency transfers shall be made within 30 days of the beginning of the fiscal year.

(Amends R.S. 47:337.102(B)(3) and (5), (I)(1) and (3), and (K), 340(A) and (E)(5), and 1402(E)(1); Repeals R.S. 47:340(I))