

GREEN SHEET REDIGEST

HB 199

2021 Regular Session

Schexnayder

TAX/SALES & USE: (Constitutional Amendment) Provides for the State and Local Streamlined Sales and Use Tax Commission

DIGEST

Present constitution authorizes the governing authority of 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 authorizes a political subdivision to exercise the power of taxation under authority granted by the legislature.

Present constitution requires all political subdivisions which levy sales and use taxes within a parish to agree among themselves to provide for the collection of their taxes by a single collector or a central collection commission.

Proposed constitutional amendment creates the State and Local Streamlined Sales and Use Tax Commission (commission) as a statewide political subdivision.

Proposed constitutional amendment further provides the commission shall be comprised of eight members as follows:

- (1) One member appointed by the La. School Boards Association.
- (2) One member appointed by the La. Municipal Association.
- (3) One member appointed by the Police Jury Association of La.
- (4) One member appointed by the La. Sheriffs' Association.
- (5) The secretary of the Dept. of Revenue, or the designee of the secretary.
- (6) One member appointed by the governor.
- (7) One member appointed by the speaker of the House of Representatives.
- (8) One member appointed by the president of the Senate.

Proposed constitutional amendment requires the chairman and vice-chairman be elected annually. Requires the first chairman of the commission to be a member referenced above in Paragraphs (1) through (4) and the first vice-chairman to be a member referenced above in Paragraphs (5) through (8). Further requires the following chairman to be a member referenced above in Paragraphs (5) through (8) and the vice-chairman to a member referenced above in Paragraphs (1) through (4). Requires the chairman and vice-chairman positions to be elected each year in this manner.

Proposed constitutional amendment provides that the adoption or amendment of administrative and operational rules of the commission shall require a vote of two-thirds of the members.

Proposed constitutional amendment provides that the commission shall provide for streamlined electronic filing and remittance of all sales and use taxes levied in the state. Further provides for prompt remittance of all monies collected and specifies that monies collected shall be the property of the respective taxing authority.

Proposed constitutional amendment requires the commission to serve as the streamlined administrative entity to provide policy advice and to promulgate rules relative to sales and use taxes levied by all taxing authorities within the state. Further provides the commission shall serve as the central audit entity for all taxpayers without a physical presence in La.

Proposed constitutional amendment provides that the commission shall be funded by both state and local sales and use tax revenues considered by the commission reasonable and necessary costs of administration and collection of sales and use taxes.

Proposed constitutional amendment provides that on a day selected by the commission or six months after the effective date of the Act, La. Sales and Use Tax Commission for Remote Sellers and the La. Uniform Local Sales Tax Board shall be abolished. Further provides the powers, duties, functions, and responsibilities of these entities shall be transferred to the commission.

Proposed constitutional amendment provides that any reference in law to the La. Sales and Use Tax Commission for Remote Sellers and the La. Uniform Local Sales Tax Board shall be deemed to apply to the commission.

Proposed constitutional amendment further provides that on a day selected by the commission or six months after the effective date of the Act, all books, papers, records, actions, property, and employees of La. Sales and Use Tax Commission for Remote Sellers and the La. Uniform Local Sales Tax Board shall be transferred to the commission.

Proposed constitutional amendment requires a two-thirds vote of the legislature to enact all statutory provisions relative to duties, funding, or obligations of the commission.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Adds Const. Art. VII, §3.1)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Change the reference from state and local representation to the particular members named in the constitutional amendment with regard to the election of the chairman and vice-chairman of the commission.
2. Remove provisions relative to the election of a proxy to serve as a designee of a member of the commission.
3. Specify that the commission will determine what is considered reasonable and necessary costs for the administration and collection of sales tax.
4. Add provisions to provide for the transition of the La. Sales and Use Tax Commission for Remote Sellers and the La. Uniform Local Sales Tax Board to the commission.
5. Add a provision that requires a two-thirds vote of the legislature for the enactment of statutory provisions relative to the funding of the commission.
6. Make technical changes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill

1. Provides that the commission shall not be created and collection and administration shall not occur absent the enactment of statutory provisions.