

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 199

2021 Regular Session

Schexnayder

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

Synopsis of Senate Amendments

1. Requires membership of the commission to be subject to Senate confirmation.
2. Requires the adoption or amendment of administrative and operational rules to be in accordance with the provisions of the Administrative Procedure Act.
3. Provides that state collection and administration of sales and use taxes is by the Dept. of Revenue as provided by law absent the enactment of statutory provisions providing for streamlined electronic filing.
4. Provides statutory provisions enacted pursuant to proposed constitutional amendment that provide for streamlined electronic filing and remittance of sales and use taxes levied by local taxing authorities shall supercede certain provisions of present constitution for the limited purpose of filing returns and the remittance of taxes to the commission by electronic methods.
5. Makes technical changes.

Digest of Bill as Finally Passed by Senate

Present law authorizes the state 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.

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 who are be subject to Senate confirmation, 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 to 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 rotate 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. Further provides administrative and operation rules of the commission shall be in accordance with the provisions of the Administrative Procedure Act.

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 proposed constitutional amendment the 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. 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. Further provides that 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.

Proposed constitutional amendment provides absent the enactment of statutory provisions providing for streamlined electronic filing and remittance, present constitution and present law law shall remain effective.

Proposed constitutional amendment provides any statutory provision enacted pursuant to proposed constitutional amendment that provides for streamlined electronic filing and remittance of sales and use taxes levied by local taxing authorities shall supercede the provisions of present constitution for the limited purposes of filing returns and remittance of taxes to the commission by electronic methods.

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)