

RÉSUMÉ DIGEST

ACT 131 (HB 199)

2021 Regular Session

Schexnayder

Existing 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.

Existing 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.

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

Existing 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 shall be subject to Senate confirmation, as follows:

- (1) One member appointed by the La. School Boards Association, or its successor.
- (2) One member appointed by the La. Municipal Association, or its successor.
- (3) One member appointed by the Police Jury Association of La., or its successor.
- (4) One member appointed by the La. Sheriffs' Association, or its successor.
- (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 provides that the initial members of the commission shall be appointed at the first meeting.

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 first meeting of the commission shall be called by the speaker of the House of Representatives no later than one year following the enactment of certain provisions by the legislature.

Proposed constitutional amendment provides that the commission shall provide for streamlined electronic filing, electronic remittance, and the collection of all sales and use taxes levied within 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 issue policy advice and to develop rules, regulations, and guidance to centralize and streamline the audit process for sales and use taxpayers.

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

Proposed constitutional amendment provides that one year following the first meeting of the commission, the La. Sales and Use Tax Commission for Remote Sellers and the La. Uniform Local Sales Tax Board shall be abolished.

Proposed constitutional amendment 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 the 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 provides that the adoption or amendment of any administrative rule of the commission shall require a vote of two-thirds of the members and shall be in accordance with the provisions of the Administrative Procedure Act.

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

Proposed constitutional amendment provides that absent the enactment of any statutory provisions pursuant to proposed constitutional amendment, local sales and use tax collection shall be as provided for in the existing constitution and state sales and use tax collection shall be as provided by existing law.

Proposed constitutional amendment provides any law enacting provisions pursuant to the proposed constitutional amendment shall require a two-thirds vote of the legislature. Further provides beginning on the effective date of such law, the provisions of the existing constitution shall cease to be effective and shall be inapplicable, inoperable, and of no effect for the limited purposes of the proposed constitutional amendment.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 9, 2021. Further provides that if Senate Bill No. 149 of the 2021 R.S. does not become effective and no statewide election is held on Oct. 9, 2021, proposed constitutional amendment shall be submitted to the electors of the state of La. at the statewide election to be held on Nov. 8, 2022.

(Adds Const. Art. VII, §3.1)