



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 681** HLS 22RS 345

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 30, 2022	11:18 AM	Author: SCHEXNAYDER
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Creates the Streamlined Sales and Use Tax Commission		

TAX/SALES & USE

EG SEE FISC NOTE SG RV See Note

Page 1 of 1

(Constitutional Amendment) Provides relative to state and local sales and use taxes

Proposed constitutional amendment authorizes creation of a State and Local Streamlined Sales and Use Tax Commission that would implement and oversee collection and administration of all state and local sales and use taxes. Provides for the authorities, responsibilities, and membership structure of the commission (four local representatives and four state level). Provides that commission activities are funded via state and local sales tax revenue collections deemed reasonable by the commission, and that the commission will absorb the responsibilities of the Commission for Remote Sellers and the Uniform Local Sales Tax Board.

The Commission shall provide for electronic filing and collection of sales & use tax for all taxing authorities within the state, and remittance to the single collector for each local taxing authority and the state Dept of Revenue, issue policy advice, and develop rules relative to the audit process. Enabling statutory legislation to include commission powers and funding specifics are required. To be submitted to the electors at the statewide election on November 8, 2022.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0					\$0

REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on aggregate governmental expenditures as a result of this measure. The bill contemplates necessary enabling legislation.

The proposed constitutional amendment effectively authorizes a single collection system for all sales & use taxing authorities in the state (commonly referred to as centralized sales tax collections). The commission is to be funded with state and local tax collections, presumably specified in enabling legislation as self-generated revenue, for costs associated with administration and collection of sales and use taxes levied by all taxing authorities in the state.

The first meeting of the commission is to be called by the Speaker within two years following the effective date, which is upon voter approval. One year following the commission's first meeting, the Louisiana Sales & Use Tax Commission for Remote Sellers and the Louisiana Uniform Local Sales Tax Board are to be abolished, and all responsibilities and employees are to be transferred to the commission.

If enabling legislation is not enacted, state and local sales & uses local taxes continue to be collected and administered as currently authorized.

REVENUE EXPLANATION

There is no anticipated direct material effect on aggregate governmental revenues as a result of this measure. The bill contemplates necessary enabling legislation.

Once enabling statutory provisions contemplated by the bill are enacted, the commission would presumably receive self-generated revenues from the tax collections attributable to the state and local taxing authorities, with comparable reductions in net receipts to those authorities. Specific transfers of resources among the commission, the state, and local taxing authorities will depend upon enabling legislation.

If enabling legislation is not enacted, state and local sales & uses local taxes continue to be collected and administered as currently authorized.

If the Commission for Remote Sellers, which is funded with 1% of state and local remote sales tax collections up to expenses, and the Uniform Local Sales Tax Board, which is funded with 1% of local motor vehicle sales tax, are abolished within three years of voter approval, those funds would be sent back to appropriate taxing authorities under current law.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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