

GREEN SHEET REDIGEST

HB 681

2022 Regular Session

Schexnayder

TAX/SALES & USE: (Constitutional Amendment) Provides relative to state and local sales and use taxes.

DIGEST

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 sales and use 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 of the commission.

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 statutory provisions pursuant to proposed constitutional amendment.

Proposed constitutional amendment provides that the duties and obligations of the commission shall be determined by law and requires a two-thirds vote of the legislature to enact any statutory provisions relative to the duties, funding, or obligations of the commission.

Proposed constitutional amendment further provides beginning on the effective date of statutory law enacted pursuant to proposed constitutional amendment, the provisions of the present constitution related to the local collection of sales and use taxes shall cease to be effective and shall be inapplicable and inoperable for the limited purposes of the commission's duties as set forth in proposed constitutional amendment.

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

Proposed constitutional amendment provides that the commission shall provide for streamlined electronic filing and electronic 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 levying the tax.

Proposed constitutional amendment requires the commission to issue policy advice and to develop rules, regulations, and guidance to simplify and streamline the audit process for sales and use taxpayers.

Proposed constitutional amendment requires the commission to 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 not to exceed 0.5% of the total amount of state and local sales and use tax collected by the commission.

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 that 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 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.

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 Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the name of the commission from the Streamlined Sales and Use Tax Commission to the State and Local Streamlined Sales and Use Tax Commission.
2. Provide that present constitution provisions related to the local collection of sales and use taxes shall cease to be effective and shall be inapplicable and inoperable for the limited purposes of the proposed constitutional amendment when statutory provisions enacted pursuant to proposed law become effective.
3. Require the commission to be funded by both state and local sales and use tax revenues collected and deemed by the commission to be reasonable and necessary costs of the administration and collection of sales and use taxes.
4. Provide that when the La. Sales and Use Tax Commission for Remote Sellers and the La. Uniform Local Sales Tax Board are abolished one year after the first meeting of the commission, all references in law to these entities shall be deemed to apply to the commission and all books, papers, records, actions, property, and employees of these entities shall be transferred to the commission.

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the engrossed bill:

1. Amend the ballot language.

The House Floor Amendments to the reengrossed bill:

1. Require the appointment of commission members to be subject to Senate confirmation.
2. Change the appointment of initial members of the commission from no later than one year following the effective date of proposed constitutional amendment to at the first meeting of the commission.
3. Change the deadline for calling the first meeting of the commission from two years following the effective date of proposed constitutional amendment to one year following enactment of statutory provisions as required by proposed constitutional amendment.
4. Change the duties of the commission from providing for streamlined electronic filing, electronic remittance, and the collection of sales and use taxes to providing for streamlined electronic filing and electronic remittance of sales and use taxes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs
to the re-engrossed bill

1. Changes the commission funding to no more than 0.5% of the total amount of state and local sales and use tax collected by the commission.
2. Clarifies that the commission shall provide for streamlined electronic filing and electronic collection of all sales and use taxes levied within the state.