

RÉSUMÉ DIGEST

ACT 685 (SB 235)

2022 Regular Session

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Existing law provides for the Louisiana Sales and Use Tax Commission for Remote Sellers, hereinafter referred to as "commission", created and established within the Department of Revenue for the administration and collection of the sales and use tax imposed by the state and political subdivisions with respect to remote sales.

New law retains existing law with respect to remote sellers, requires that the commission not begin development of the single electronic return for all state and local sales and use taxes in consultation with the Uniform Local Sales Tax Board and the Department of Revenue. Provides that once a contract is executed, the single electronic return shall be available to taxpayers on the first day of the second calendar quarter after the contract is executed.

New law provides that if the commission certifies at a joint meeting of the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means that the commission has insufficient funds available from the monies available to the commission from the amounts for the commission from the one percent of total state and local sales and uses taxes collected to meet the deadline set forth in new law for the development of the single electronic return, the commission may request an extension of the deadline from the committees until funds are available either through new law or an appropriation.

New law defines "qualifying nonremote seller" as a nonremote seller that has a physical location in this state and is registered to file and remit local sales and use taxes pursuant to a local ordinance in two or more parishes.

New law authorizes the commission to request an extension of the January 1, 2024, deadline if there is insufficient funding to carry out its new duties established under new law.

Existing law funds the commission for its actual expenses with up to 1% of the tax collected from remote sales.

New law authorizes the commission to retain up to 1% of all taxes it collects from both remote and nonremote sales to fund its operations.

Prior law provided for funding of the Board of Tax Appeals and further provided that if consumer use tax collections yielded insufficient revenue to fulfill dedications for interagency transfers to the Dept. of State Civil Service, Board of Tax Appeals, Local Tax Division, that the remaining funds first be an obligation of the Louisiana Uniform Local Sales Tax Board (the board), and if the board did not have sufficient funds, that the balance was an obligation of the commission as a necessary expense of the commission.

New law removes the requirement that the board provide any deficit funding for the Local Tax Division of the Board of Tax Appeals.

Existing law provides for the powers and duties of the commission with respect to remote sales and remote sellers.

New law retains the commission's existing law powers and duties and extends them to nonremote sales that the commission is authorized under new law by contract to collect.

Existing law provides for limitations on the authority of the commission with respect to sales other than remote sales.

New law retains the existing law limitations on nonremote sales except for those nonremote sales that the commission is authorized under new law by contract to collect.

Existing law provides that taxes on remote sales collected by the commission shall, at all times, be and remain the property of the respective taxing authorities and deemed held in trust for taxing authorities by the commission.

New law retains existing law and extends the provisions to taxes collected on nonremote sales that the commission is authorized under new law by contract to collect.

New law deletes obsolete language in prior law that authorized the Law Institute to change references.

New law deletes obsolete language in prior law and that conditioned the authority of the commission to collect sales and use tax on the passage of a federal law authorizing states to require remote sellers and their agents to collect state and local sales and use taxes or when the United States Supreme Court overrules the physical presence requirement for a remote seller to collect and remit state and local sales and use tax.

New law, on or before January 31, 2023, requires the Department of Revenue, the Louisiana Uniform Local Sales Tax Board, and the Louisiana Sales and Use Tax Commission for Remote Sellers to jointly submit an informational report on the benefits, challenges, savings, and costs associated with the development, implementation, and maintenance of a combined state and local sales and use tax return for remote and nonremote sales and the designation of a centralized processor of state and local sales tax returns and remittances. Requires that the report include information on best practices from other states in which a single entity receives and remits revenues directly to all taxing authorities in the state and information on the feasibility of remitting local sales and use taxes daily as received from dealers to the local sales tax collectors. Requires submission of the report to the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means and that after publication of the report, allows interested stakeholders to provide written comments within 45 days of publication which shall be added as an appendix to the report and submitted to the committees.

Effective January 1, 2023.

(Amends R.S. 47:340(E)(3) and (5), (G)(1) - (5), (6) (intro para), (8), and (11), (H)(3), (12), and (13), and (I); adds R.S. 47:339.1; repeals R.S. 47:340(H)(15))