

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 171** HLS 23RS 540

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 20, 2023	5:48 PM	<b>Author:</b> BEAULLIEU
<b>Dept./Agy.:</b> Remote Sellers Commission		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Changes gross revenue calculation for facilitators		

TAX/SALES & USE

OR SEE FISC NOTE GF RV

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Provides relative to the requirement for marketplace facilitators to collect and remit sales and use taxes

Current law requires a marketplace facilitator to collect and remit sales and use tax on remote sales delivered into Louisiana for all of its marketplace sellers. The marketplace facilitator is required to act as a dealer for remote sales tax if either of the following criteria are met during the previous or current year: 1) had gross revenue for all remote sales delivered into Louisiana over \$100,000, or 2) had 200 or more remote sales transactions in Louisiana. Marketplace facilitators must apply for an application with the Remote Sellers Commission no later than 30 days after meeting this criteria.

Proposed law changes the revenue indicator at which a marketplace facilitator is required to collect and remit sales tax by counting gross revenue only on retail sales instead of all sales, while still retaining the \$100,000 minimum (removes sales for resale or wholesale transactions from gross revenue). Proposed law also eliminates the 200 transaction limit for marketplace facilitators. Proposed law requires the Remote Sellers Commission to approve or deny an application by a marketplace facilitator within 20 calendar days of receipt.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Remote Sellers Commission indicates that the 20 calendar day deadline requirement for application response may require additional resources to adjust the application that will apparently be absorbed in the current budget.

**REVENUE EXPLANATION**

The bill appears to adjust marketplace facilitator criteria to allow fewer facilitators to be required to collect sales tax, while also matching the criteria more closely to those facilitators with sales that generate sales tax. The Remote Sellers Commission is unable to determine whether the bill will result in additional or fewer facilitators submitting applications to act as a dealer. To the extent that a facilitator's gross revenue reported was largely due to wholesale transactions, registration may no longer be required. Further, a facilitator with less than \$100,000 in gross revenue from Louisiana sales but more than 200 transactions will no longer be required to collect sales tax. The Remote Sellers Commission reports that it is not clear how this bill might impact sales tax collections since this population of facilitators cannot be readily identified.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*

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**Interim Legislative Fiscal Officer**