

2023 Regular Session

HOUSE BILL NO. 558

BY REPRESENTATIVE BEAULLIEU

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

REVENUE DEPARTMENT: Provides for the collection and remittance of state and local sales and use taxes

1 AN ACT

2 To amend and reenact R.S. 47:337.5, 337.23, 337.102(C) and (I)(1) and (2)(a), and

3 340(E)(2) and to enact R.S. 47:337.102(I)(4), relative to the collection and

4 remittance of sales and use taxes; to provide with respect to the duties of the

5 Louisiana Uniform Local Sales Tax Board; to authorize the Louisiana Uniform Local

6 Sales Tax Board to impose a fee on certain collectors; to provide for notice

7 requirements for certain changes in tax, interest, and penalty rates; to require certain

8 collectors to submit certain information to the Louisiana Uniform Local Sales Tax

9 Board; to authorize the Louisiana Sales and Use Tax Commission for Remote Sellers

10 to deduct the amount of unpaid fees from a collector's monthly distribution under

11 certain circumstances; to provide for the responsibilities of the Department of

12 Revenue with respect to the collection and remittance of sales and use taxes; to

13 provide relative to the Uniform Electronic Local Return and Remittance Advisory

14 Committee; to require the board to manage and maintain a uniform electronic local

15 return and remittance system; to require the board to design and implement a single

16 remittance system for state and local sales and use taxes; to provide for the operation

17 of the single remittance system; to provide for requirements and limitations; to

18 provide for the funding of certain technology and programs; to provide for an

19 effective date; and to provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. R.S. 47:337.5, 337.23, 337.102(C) and (I)(1) and (2)(a), and 340(E)(2)  
3 are hereby amended and reenacted and R.S. 47:337.102(I)(4) is hereby enacted to read as  
4 follows:

5 §337.5. Local sales and use taxes effective date

6 ~~A.(1) No political subdivision shall impose or increase a sale and use tax~~  
7 ~~unless that tax or increase~~ The tax, interest, or penalty rates in a taxing jurisdiction,  
8 as established pursuant to R.S. 47:337.4, shall not be changed unless the change has  
9 an effective date of the first of January, the first of April, the first of July, or the first  
10 of October, and the ~~secretary~~ Louisiana Uniform Local Sales Tax Board and the  
11 Uniform Electronic Local Return and Remittance Advisory Committee have been  
12 notified in advance as provided for in R.S. 47:337.23. For purposes of this Section,  
13 a tax rate change shall include any of the following:

14 (a) A rate change due to the levy of a new tax.

15 (b) The change in a rate for an existing tax.

16 (c) A rate change due to an annexation or other boundary modification by  
17 the taxing authority.

18 (d) A rate change caused by the execution or expiration of a cooperative  
19 endeavor agreement to which the taxing authority is a party.

20 (e) Implementation, amendment, or repeal of an optional sales tax exemption  
21 or exclusion.

22 (2) Except for the notice to the secretary and the advisory committee, the  
23 provisions of this Section shall not apply to the renewal of an existing sales tax.

24 B. A taxing authority shall notify the appropriate single collector for the  
25 parish no less than sixty days prior to the date a change in a tax, interest, or penalty  
26 rate becomes effective. However, the single collector for the parish may authorize  
27 a shorter time for a taxing authority to provide the notice required pursuant to the  
28 provisions of this Subsection. Failure or refusal of a taxing authority to provide  
29 timely notice to the single collector for a parish in accordance with the requirements

1 of this Subsection shall be an absolute defense against any claim by a taxing  
 2 authority against the single tax collector for the parish relating to a change in tax,  
 3 interest, or penalty rate.

4 §337.23. Uniform electronic local return and remittance system; official record of  
 5 tax rates and exemptions; filing and remittance of local sales and use taxes;  
 6 penalties for violations

7 A.(1) The legislature recognizes both the need to make Louisiana a better  
 8 environment in which to do business and the complexities of the existing sales and  
 9 use tax system. It is the intention of this Section to provide taxpayers with a simple,  
 10 efficient, and cost-effective means of transmitting accurate sales and use tax returns  
 11 and remittances to political subdivisions of the state from a central site in the  
 12 quickest manner possible.

13 (2) ~~Notwithstanding any other law to the contrary, beginning on the date~~  
 14 ~~provided for in Subsection H of this Section, but no later than January 1, 2005, a~~ A  
 15 taxpayer may file a sales and use tax return of a taxing authority and remit any tax,  
 16 interest, penalty, or other charge due by means of the uniform electronic local return  
 17 and remittance system provided for in this Section unless insufficient funds are  
 18 appropriated to fund the system as provided for in Subsection J of this Section.

19 B.(1) The system by which such taxpayers file electronically and pay their  
 20 taxes and by which the information provided for in Subsection ~~H~~ H of this Section is  
 21 to be posted on the internet shall be ~~established~~, managed, maintained, and  
 22 supervised by the ~~secretary of the Department of Revenue~~ Louisiana Uniform Local  
 23 Sales Tax Board, hereinafter referred to in this Section as the "board". The Uniform  
 24 Electronic Local Return and Remittance Advisory Committee shall provide advice  
 25 and may make enforceable recommendations to the ~~secretary~~ board for ~~his~~  
 26 consideration with regard to the design, implementation, ~~and operation, and~~  
 27 maintenance of the system in the manner provided for by this Section. The advisory  
 28 committee is hereby created ~~within the Department of Revenue~~ under the jurisdiction  
 29 of the board and shall be composed of the following members:

1 (a) The secretary of the Department of Revenue or his designee.

2 (b) The chairman of the ~~Louisiana Uniform Local Sales Tax Board~~ board,  
3 or in the absence of the chairman, the vice chairman of the board, ~~who shall serve as~~  
4 ~~chair of the advisory committee.~~

5 (c) A member appointed by the governor from a list of three names provided  
6 ~~to him~~ by the Louisiana Society of Certified Public Accountants, to serve at the  
7 pleasure of the governor.

8 (d) The head of a collector's office, appointed by the ~~Louisiana Uniform~~  
9 ~~Local Sales Tax Board~~ board from a list of three names provided by the board of  
10 directors of the Louisiana Association of Tax Administrators, to serve for a three-  
11 year term.

12 (e) A representative of a business that is required to file sales and use tax  
13 returns for multiple collectors in the state, who shall be appointed by the governor  
14 from a list of three names provided ~~to him~~ jointly by the Louisiana Retailers  
15 Association and the Louisiana Association of Business and Industry. The member  
16 shall serve at the pleasure of the governor.

17 (2) Each appointment by the governor shall be submitted to the Senate for  
18 confirmation. All vacancies shall be filled in the same manner that is provided for  
19 the original member.

20 (3) The members of the advisory committee shall serve without additional  
21 compensation except for their reasonable and necessary expenses related to the  
22 performance of their duties as members of the committee, and then only in ~~such~~  
23 amounts as is provided by law for state employees.

24 (4) Meetings shall be called by the chair at a time and place to be selected  
25 by the chair, or at a time and place provided for upon the written request of three  
26 members. Four members of the advisory committee shall be considered a quorum  
27 and the committee may make official recommendations and take other official action  
28 upon the affirmative vote of four members.

1 (5)(a) If at any time the advisory committee believes the secretary board has  
2 taken action contrary to the advice or recommendation of the committee, it may  
3 make a written request to the secretary board specifying the advice or  
4 recommendation, the action which the committee believes the secretary board has  
5 taken, and asking ~~him~~ the board to provide written reasons for ~~such~~ the action. The  
6 secretary ~~the chairman of the board~~ shall provide a written answer to the chairman  
7 of the committee within fifteen days or ~~such~~ a longer time as the committee ~~shall~~  
8 ~~allow~~ allows.

9 (b) If, after receiving and considering the written answer of the secretary  
10 board, the committee believes it unsatisfactory, the committee may make a written  
11 request to the Senate Committee on Revenue and Fiscal Affairs and the House  
12 Committee on Ways and Means specifying the recommendation and asking the  
13 committees to make it an enforceable recommendation.

14 (c)(i) The request of the advisory committee shall be considered ~~as~~ a  
15 proposed rule or regulation of the ~~Department of Revenue~~ board and shall be  
16 subjected to the same oversight procedure ~~as is set forth~~ provided for in the  
17 Administrative Procedure Act ~~for such rules and regulations~~, except for the need for  
18 publication.

19 (ii) Notwithstanding any other law to the contrary, if the oversight procedure  
20 under the Administrative Procedure Act results in approval of the advisory  
21 committee's request to make its recommendation an enforceable recommendation,  
22 then the advisory committee's recommendation shall be followed by the secretary  
23 board.

24 C. The uniform electronic local return and remittance system and the posting  
25 of the information required by Subsection ~~I~~ H of this Section shall be ~~established~~,  
26 managed, maintained, and supervised by the secretary board with the advice of the  
27 advisory committee and the secretary and the system shall include the following:

28 (1)(a) The system shall allow the taxpayer to file a sales and use tax return  
29 that is uniform for each taxing authority except for the following:

- 1 (i) The rate of the taxing authority's tax.
- 2 (ii) The vendor's compensation allowed.
- 3 (iii) Optional exclusions or exemptions allowed by state sales and use tax  
4 law, adopted by ~~the~~ a local ordinance pursuant to such state law.
- 5 (iv) Exclusions and exemptions in the local ordinance which were adopted  
6 prior to July 1, 2003, pursuant to state law authorizing ~~such~~ its adoption, but not  
7 allowed as an exclusion or exemption from state sales and use tax.
- 8 (v) Exclusions and exemptions adopted by local ordinance pursuant to  
9 legislation enacted under Article VI, Section 29(D)(1) of the Constitution of  
10 Louisiana, but not allowed as an exclusion or exemption from state sales and use tax.
- 11 (vi) ~~Penalty, Penalties and interest, or attorney fees~~ due on the sales and use  
12 tax. The amount of ~~such penalty, penalties and interest, and attorney fees~~, shall be  
13 limited as provided by law, including relevant jurisprudence, until ~~such~~ the statute  
14 or jurisprudence is changed.
- 15 (b) The filing and remittance shall be done at no charge to the taxpayer by  
16 the state, the collector, or any taxing authority levying a tax.
- 17 (2) A web page through which a secured electronic local sales and use tax  
18 return may be filed, ~~which return shall be established by the Department of Revenue.~~  
19 The board shall maintain the secured electronic local sales and use tax return as well  
20 as the web page in which the return shall be accessed by taxpayers and collectors.
- 21 (3) A system to allow for the remittance of any tax, penalty, interest, or other  
22 amounts due.
- 23 (4) A system for the transmission and retrieval of the appropriate collector's  
24 data and funds to him.
- 25 D.(1) Each collector shall provide to the ~~secretary~~ board and the advisory  
26 committee within ninety days of its written request, or ~~such~~ other time as may be  
27 allowed by the advisory committee, the information necessary to design and  
28 ~~implement~~ maintain the system provided for in this Section. Each collector shall  
29 follow the data validation procedures ~~established~~ recommended by the advisory

1 committee and adopted by the board. If the collector fails or refuses to timely  
2 provide ~~such~~ the required information, the ~~secretary~~ board and the advisory  
3 committee shall design and implement the system from the best information  
4 available to them. A collector's failure or refusal to provide the requested  
5 information as required in this Paragraph shall be an absolute defense against any  
6 claim by a taxing authority or collector against the board or advisory committee  
7 relating to the data utilized in the system provided for in this Section.

8 (2) Each collector shall provide written notification to the ~~secretary~~ board  
9 and the advisory committee by certified mail, return receipt requested, of any change  
10 in the information provided to it pursuant to Subparagraph (C)(1)(a) thirty days prior  
11 to ~~such~~ changes becoming effective, or ~~such~~ other shorter time as may be allowed  
12 by the advisory committee. Each collector shall follow the data validation  
13 procedures ~~established~~ recommended by the advisory committee and adopted by the  
14 board.

15 E. A taxpayer may rely on the information on the uniform electronic local  
16 return and remittance system and ~~such~~ the reliance shall be an absolute defense  
17 against any claim for a taxing authority's sales and use tax.

18 F.(1) It shall be the duty of the ~~state through the Department of Revenue~~  
19 board, with the advice of the advisory committee, to design, implement, maintain and  
20 operate the system required by this Section and to provide the staff and equipment  
21 necessary to receive and transmit to the collectors the electronic returns and funds.

22 (2)(a) It shall be the duty of the collector of each parish to provide and make  
23 available the appropriate staff, equipment, and information necessary for the receipt  
24 and transmission of electronic returns and funds. The ~~Department of Revenue~~ board  
25 shall not be responsible for any loss of revenue attributable to the failure of a  
26 collector to comply with the provisions of this Paragraph.

27 (b) The advisory committee may determine alternate distribution methods  
28 and the appropriate fees to be charged for ~~such~~ these methods when a collector fails

1 to comply with the provisions of this Paragraph. The amount of the fee shall not  
2 exceed the cost of the alternate distribution method.

3 G.(1) It is the intention of this Section only to provide to taxpayers a simple,  
4 efficient, and cost-effective means of transmitting accurate tax returns and taxes to  
5 taxing authorities of the state from a central site in the quickest manner possible.  
6 This Section shall not be construed to grant to the advisory committee or the  
7 ~~Department of Revenue~~ board any authority to collect or administer ~~such~~ taxes. In  
8 addition, any funds transmitted through the system as provided for in this Section  
9 shall be considered the funds of the taxing authorities to be distributed by the  
10 collector in the manner provided by local ordinances and shall not in any way be  
11 considered state funds or funds of the board.

12 (2) The advisory committee shall provide a method for all questions related  
13 to the application and interpretation of the sales and use tax law of a particular taxing  
14 authority received by the committee, the board, or the Department of Revenue to be  
15 forwarded to the appropriate collector for response.

16 ~~H.(1) The uniform electronic local return and remittance system provided in~~  
17 ~~this Section shall become operative on a date that the advisory committee determines~~  
18 ~~such system is ready, but no later than January 1, 2005.~~

19 ~~(2) However, the system shall not become operative until all of the following~~  
20 ~~occurs:~~

21 ~~(a) Notice is provided to each collector of the date upon which the system~~  
22 ~~is to be operative and the date of the public meeting provided for in Subparagraph~~  
23 ~~(2)(b).~~

24 ~~(b) After the notice is provided as required by Subparagraph (2)(a), but in~~  
25 ~~no case less than thirty days before the date the system becomes operative, the~~  
26 ~~advisory committee shall hold a public hearing to receive comments on the system.~~

27 ~~F.(1)(a)~~ In addition to the uniform electronic local return and remittance  
28 system provided for in this Section, a link shall be created on the ~~Department of~~



1 Revenue's board's web site to a web page where the following information provided  
2 by the collectors shall be posted:

3 (i) ~~A list of~~ Applicable tax rates.

4 (ii) ~~A list of the~~ Applicable optional exemptions enacted by a tax authority  
5 as provided for in R.S. 47:337.10.

6 (b) The secretary board and the advisory committee shall be notified of any  
7 changes in ~~such the~~ information as provided for in Subsection D of this Section: and  
8 R.S. 47:337.5. Each collector shall follow the data validation procedures established  
9 by the advisory committee and adopted by the board. A collector's failure or refusal  
10 to provide the information as required in this Paragraph shall be an absolute defense  
11 against any claim by a taxing authority or collector against the board or advisory  
12 committee relating to the data utilized in the system provided for in this Section.

13 (2) The tax rates and optional exemptions posted on the web page ~~as~~  
14 ~~provided for in this Section~~ shall be considered an official record of ~~such the~~ tax  
15 rates and optional exemptions and any court, whether requested to do so or not, shall  
16 take judicial notice thereof. A taxpayer may rely on the optional exemptions and tax  
17 rates posted on the web page and ~~such this~~ reliance shall be an absolute defense  
18 against any claim for a taxing authority's sales and use tax.

19 ~~J. If the secretary of the Department of Revenue and the commissioner of~~  
20 ~~administration certify to the advisory committee that there was not a separate line~~  
21 ~~item in the general appropriations bill appropriating funds to the Department of~~  
22 ~~Revenue for the design, implementation, and operation of the system provided for~~  
23 ~~in this Section for the fiscal year, or that insufficient funds were appropriated in such~~  
24 ~~line item, then such electronic filing and remittance shall not be available to~~  
25 ~~taxpayers from the first of the month following such certification and the secretary~~  
26 ~~may take such steps as he deems necessary to prevent access to the system until the~~  
27 ~~secretary and the commissioner certify that such funds have been appropriated in a~~  
28 ~~separate line item.~~

1           ~~K. I.(1) Beginning January 1, 2015, the~~ The collector for each taxing  
2 authority may require the electronic filing and remittance of local sales and use tax  
3 by any taxpayer required to electronically file or electronically remit state sales and  
4 use tax by the Department of Revenue. If the local collector for a taxing authority  
5 chooses the option of requiring the electronic filing and remittance of local sales and  
6 use tax returns in accordance with the provisions of this Subsection, then all  
7 taxpayers required to collect and remit sales or use tax on taxable events occurring  
8 within the jurisdiction of the taxing authority who are required by the Department  
9 of Revenue to electronically file and remit ~~such~~ taxes shall file all applicable sales  
10 and use tax returns and remittances through the electronic filing options available for  
11 ~~such~~ those purposes; however, in cases where the taxpayer can show cause that the  
12 electronic filing of a return and remittance would create an undue hardship on the  
13 taxpayer, the collector for the taxing authority may exempt the taxpayer from the  
14 requirements of this Subsection.

15           (2) Failure of a taxpayer to comply with the electronic filing requirements  
16 set forth in this Subsection shall result in the collector for the taxing authority  
17 assessing a penalty of one hundred dollars or five percent of the tax owed on the  
18 return, whichever is greater; however, the total penalty per return shall not exceed  
19 five thousand dollars. The local collector for the taxing authority may waive  
20 remittance and payment of the penalty in whole or in part if the local collector  
21 determines that the failure to comply by the taxpayer was reasonable and was  
22 attributable, not to any negligence on the part of the taxpayer, but for a cause which  
23 is submitted to the local collector in writing.

\* \* \*

25           §337.102. Louisiana Uniform Local Sales Tax Board; creation; membership;  
26 powers and duties

\* \* \*

28           C. Powers and duties of the board. (1) The board may:

1           ~~(1)~~ (a) Support and advise local sales and use tax collectors concerning the  
2 imposition, collection, and administration of local sales and use taxes authorized  
3 under the constitution and laws of this state.

4           ~~(2)~~ (b) Promulgate rules and regulations in accordance with Part H of  
5 Chapter 2-D of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

6           ~~(3)~~ (c) Enter into agreements with local tax collectors.

7           ~~(4)~~ (d) Enter into contracts for the services of legal counsel, analysts,  
8 auditors, appraisers, and witnesses, as well as any agency or department of the state  
9 or any state or local political subdivision.

10           ~~(5)~~ (e) Issue policy advice on matters concerning the imposition, collection,  
11 and administration of local sales and use tax.

12           ~~(6)~~ (f) Prescribe uniform forms and model procedures to be used by local  
13 sales and use tax collectors.

14           ~~(7)~~ (g) Procure the development of computer software and equipment for the  
15 collection and administration of local sales and use taxes.

16           ~~(8)~~ (h) Employ an executive director, and any necessary agents, assistants,  
17 auditors, clerks, inspectors, investigators, or other experts and employees.

18           ~~(9)~~ (i) Issue private letter rulings when requested pursuant to this Section as  
19 to the imposition, collection, and administration of local sales and use tax.

20           ~~(10)~~ (j) Hold an executive session pursuant to R.S. 42:16 for any of the  
21 reasons contained in R.S. 42:17 and for the discussion of matters involving  
22 confidential taxpayer information including policy advice, private letter rulings,  
23 multi-parish audits, or other matters. The records and files of the board held for the  
24 purpose of enforcement of the tax laws of this state and its political subdivisions  
25 shall be considered to be the files and records of a political subdivision of the state  
26 subject to the provisions of R.S. 47:1508 in the same manner as any other political  
27 subdivision enforcing tax laws related to sales and use taxes.

28           (k) Impose a fee on any local collector that does not have an executed  
29 agreement as provided for in Subparagraph (c) of this Paragraph in an amount equal

1        to the pro-rata share of the total actual costs incurred by the board for the creation,  
 2        implementation, and on-going maintenance and operation of the uniform local return  
 3        and remittance system. The pro-rata fee owed by each local collector shall be based  
 4        on the parish's share of the state's total population according to the most recent  
 5        federal decennial census. The fee authorized in this Subparagraph shall be billed by  
 6        the board to each collector not having an agreement as provided for in Subparagraph  
 7        (c) of this Paragraph. If a collector does not pay the fee authorized pursuant to the  
 8        provisions of this Subparagraph within thirty calendar days after imposition of the  
 9        fee by the board, the board shall notify the Louisiana Sales and Use Tax Commission  
 10       for Remote Sellers of the delinquency, and the Louisiana Sales and Use Tax  
 11       Commission for Remote Sellers shall deduct the amount of the unpaid fee from the  
 12       collector's next monthly distribution and remit the funds directly to the board.

13                (2) The board shall do all of the following:

14                (a) Manage, maintain, and supervise a uniform electronic local return and  
 15        remittance system pursuant to the provisions of R.S. 47:337.23 by which taxpayers  
 16        can electronically file and remit state and local sales and use taxes.

17                (b) Design, implement, manage, maintain, and supervise a single remittance  
 18        system whereby each taxpayer can remit state and local sales and use taxes through  
 19        a single transaction. Any contract for the selection of a vendor or service provider  
 20        to design the single remittance system, including the procurement of software,  
 21        hardware, or any other technology or electronic platform, or service shall be  
 22        procured through the office of technology services and shall be in compliance with  
 23        the provisions of R.S. 39:196 et seq.

24                (c) Design, manage, and maintain a link on the board's web page for the  
 25        posting of information required to be posted pursuant to the provisions of R.S.  
 26        47:337.23(H).

27                                \*        \*        \*

28                I. Funding. (1) Except as provided for in Paragraph (4) of this Subsection,  
 29        the ~~The~~ board shall be funded through a dedication of a percentage of the total

1 statewide collections of local sales and use tax on motor vehicles, as provided for in  
 2 an agreement with local collectors and in accordance with the limitations provided  
 3 in this Paragraph and the budgetary policy as provided in Paragraph (2) of this  
 4 Subsection. Monies shall be payable monthly from the current collections of the tax.  
 5 The dedication shall be considered a cost of collection and shall be deducted by the  
 6 ~~state~~ office of motor vehicles and disbursed to the board prior to distribution of tax  
 7 collections to local taxing authorities. The dedication shall be in addition to any fee  
 8 imposed by the office of motor vehicles for the collection of the local sales and use  
 9 tax on motor vehicles. The amount to be disbursed to the board in any fiscal year  
 10 ~~after Fiscal Year 2018-2019 shall not, under any circumstances and notwithstanding~~  
 11 ~~any budget adopted by the board,~~ exceed three-tenths of one percent of the  
 12 collections.

13 (2)(a) The actual amount to be disbursed to the board by the office of motor  
 14 vehicles in any fiscal year shall be determined by the requirements of the annual  
 15 budget adopted by the board for that year, subject to the limitations established in  
 16 Subparagraphs (1) (a) through (c) of Paragraph ~~(1)~~ of this Subsection. To accomplish  
 17 this, by the first day of June each year the chairman of the board shall notify the  
 18 commissioner of the office of motor vehicles regarding the amount to be disbursed  
 19 to the board for the ensuing fiscal year, ~~with the exception of Fiscal Year 2018, when~~  
 20 ~~the date for such notification shall be determined by agreement of the chairman and~~  
 21 ~~the commissioner.~~

22 \* \* \*

23 (4) The board shall fund the initial costs incurred for designing and  
 24 implementing a single remittance system from the percentage of funding it currently  
 25 receives pursuant to the provisions of Paragraph (1) of this Subsection. The state and  
 26 local collectors shall share the initial costs equally; however, funding for initial costs  
 27 shall not extend for more than twenty-four months. Thereafter, the board shall fund  
 28 the costs associated with the management, maintenance, and supervision of the  
 29 single remittance system from the funding it currently receives pursuant to the

1 provisions of Paragraph (1) of this Subsection, subject to the state providing funding  
 2 for any maintenance or modifications to the single remittance system requested by  
 3 the state. The Department of Revenue shall continue to operate the electronic local  
 4 return and remittance system used and administered by the department as of January  
 5 1, 2024, until the board certifies to the Department of Revenue that the uniform  
 6 electronic local return and remittance system required in this Section is fully  
 7 designed, implemented, and available for use by taxpayers. The uniform electronic  
 8 local return and remittance system required in this Section shall be fully designed,  
 9 implemented, and available for use by taxpayers no later than January 1, 2026.

10 \* \* \*

11 §340. Louisiana Sales and Use Tax Commission for Remote Sellers; members;  
 12 powers

13 \* \* \*

14 E.

15 \* \* \*

16 (2) The commission shall monthly remit monies, less any refunds, less any  
 17 fees owed to the board pursuant to the provisions of R.S. 47:337.102(C)(1)(k), and  
 18 amounts retained for expenses as defined in Paragraph (3) of this Subsection, to the  
 19 appropriate state or local collector by electronic funds to the designated bank account  
 20 of that state or local collector on or before the tenth business day of the month  
 21 following the month of collection. Records of gross collections, refunds, and  
 22 amounts retained for expenses shall be made accessible to the respective state or  
 23 local collector on a monthly basis.

24 \* \* \*

25 Section 2. This Act shall become effective on January 1, 2024.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 558 Engrossed

2023 Regular Session

Beaulieu

**Abstract:** Moves responsibility for the management and supervision of the uniform electronic local return and remittance system from the Dept. of Revenue to the La. Uniform Local Sales Tax Board and requires the board to design and implement a single remittance system whereby each taxpayer can remit state and local sales and use taxes through a single transaction.

Present law provides for the establishment of a uniform electronic local return and remittance system whereby a taxpayer may file a sales and use tax return of a taxing authority and remit any tax, interest, penalty, or other charge due by means of the uniform electronic local return and remittance system. The uniform electronic local returns and remittance system shall be established, managed, and supervised by the Dept. of Revenue (DOR) and shall be done at no charge to the taxpayer by the state, the collector, or any taxing authority levying a tax.

Present law establishes the Uniform Electronic Local Return and Remittance Advisory Committee (committee) which is under the jurisdiction of DOR and which is charged with advising DOR concerning the design, implementation, and operation of the uniform electronic local returns and remittance system. Present law authorizes the committee to make enforceable recommendations to DOR concerning the design, implementation, and operation of the uniform electronic local returns and remittance system.

Proposed law changes present law by transferring management and supervision of the uniform electronic local returns and remittance system, including the posting of certain information and links on a web page and providing for the staffing and equipment necessary to operate the system, from DOR to the La. Uniform Local Sales Tax Board (board) and moving jurisdiction over the committee from DOR to the board. Proposed law further requires the board to *maintain* the uniform electronic local returns and remittance system and authorizes the committee to make recommendations concerning the *maintenance* of the uniform electronic local returns and remittance system.

Present law provides for the membership, duties, and responsibilities of the committee.

Proposed law retains present law but requires the committee to work in conjunction with the board *rather* than the secretary of DOR and removes the requirement that the chair of the board also serve as chair of the committee.

Present law provides for the board as a political subdivision of the state, for the purpose of promoting uniform procedures and policies concerning the collection and administration of local sales and use taxes, and to provide policy advice and support to local sales and use tax collectors. Present law provides for membership of the board, member appointments, and other aspects of membership on the board.

Present law provides for the authority of the board, including the following activities:

- (1) Support and advise local tax collectors concerning collection and administration of local sales and use taxes, including the prescription of uniform forms and model procedures, and the provision of educational and training programs for tax collectors.

- (2) Promulgate rules and regulations pursuant to present law (Administrative Procedure Act) relating to local sales and use tax, specifically including rules for a voluntary disclosure program and a uniform refund request and approval process.
- (3) Procure the development of computer software and equipment for the collection and administration of local sales and use taxes.
- (4) Implement and coordinate a multi-parish audit program.

Proposed law retains present law but adds authority for the board to impose a fee on any local collector that does not have an executed agreement with the board to provide for the costs incurred by the board for the creation, implementation, and on-going maintenance and operation of the uniform local return and remittance system. The amount of the fee shall be equal to the local collector's pro-rata share of the total actual costs incurred by the board for cost to implement and maintain the system based on the parish's share of the state's total population according to the most recent federal decennial census.

Proposed law provides that if the local collector does not pay the fee within 30 calendar days after imposition by the board, the board shall notify the La. Sales and Use Tax Commission for Remote Sellers of the delinquency, and the La. Sales and Use Tax Commission for Remote Sellers shall deduct the amount of the unpaid fee from the collector's next monthly distribution and remit the funds directly to the board.

Proposed law requires the board to do all of the following:

- (1) Manage, maintain, and supervise the uniform electronic local return and remittance system by which taxpayers can electronically file and remit sales and use taxes.
- (2) Design, implement, manage, maintain, and supervise a single remittance system whereby each taxpayer can remit state and local sales and use taxes through a single transaction. Proposed law requires any contract or the selection of a provider by the board to design a single remittance system, including the procurement of software, hardware, or any other technology or electronic platform, or service to be procured through the office of technology services and in compliance with present law.
- (3) Design, manage, maintain, and supervise a link on the board's web page for the posting of information required to be posted pursuant to present law (R.S. 47:337.23(I)).

Present law prohibits a political subdivision from imposing or increasing a sales and use tax unless that tax or increase is effective on the first of Jan., April, July, or Oct. and the secretary of DOR and the committee have been notified 30 days prior to the change becoming effective.

Proposed law changes present law by prohibiting tax, interest, or penalty rates in a taxing jurisdiction from being changed unless that tax or increase is effective on the first of Jan., April, July, or Oct. and the *board* and the committee have been notified 60 days prior to the change becoming effective. Proposed law defines a tax rate change as any of the following:

- (1) A rate change due to the levy of a new tax.
- (2) The change in a rate for an existing tax.
- (3) A rate change due to an annexation or other boundary modification by the taxing authority.
- (4) A rate change caused by the execution or expiration of a cooperative endeavor agreement to which the taxing authority is a party.



- (5) Implementation, amendment, or repeal of an optional sales tax exemption or exclusion.

Proposed law provides that failure or refusal of a taxing authority to provide timely notice to the single collector for a parish of a change in a tax, interest, or penalty rate shall be an absolute defense against any claim by a taxing authority against the single tax collector for the parish relating to such a change.

Present law requires each collector to provide information necessary to design and implement the uniform electronic local return and remittance system to the secretary of DOR and the committee within 90 days of receiving a written request by the secretary. Further requires each collector to follow data validation procedures established by the committee.

Proposed law retains present law but requires each collector to provide the requested information to the board and the committee *rather* than the secretary of DOR and extends the requirement for submission of information to information necessary to *maintain* the uniform electronic local return and remittance system.

Proposed law changes present law to require each collector to follow data validation procedures recommended by the committee and adopted by the board *rather* than procedures established by the committee.

Proposed law provides that a collector's failure or refusal to provide the requested information necessary for design and maintenance of the uniform electronic local return and remittance system shall be an absolute defense against any claim by a taxing authority or collector against the board or committee relating to the data utilized in the system.

Present law provides for funding of the board through a dedication of a percentage of the total statewide collections of local sales and use taxes on motor vehicles, not to exceed three-tenths of 1% of the collections.

Proposed law retains present law with respect to the funding of the board and the maximum amount of monies the board may deduct from collections; however, proposed law requires the board to fund the initial costs incurred for designing and implementing a single remittance system from the percentage of funding it currently receives.

Proposed law requires the state and local collectors to share the initial costs of designing and implementing a single remittance system; however, funding for initial costs shall not extend for more than 24 months. Thereafter, the board shall fund the costs associated with the management, maintenance, and supervision of the single remittance system from the funding it currently receives pursuant to present law subject to the state providing funding for any maintenance or modifications to the single remittance system requested by the state.

Proposed law requires DOR to continue operating the electronic local return and remittance system used and administered by the department as of Jan. 1, 2024, until the board certifies that the uniform electronic local return and remittance system is available for use by taxpayers. Further requires the uniform electronic local return and remittance system required to be available for use by taxpayers no later than Jan. 1, 2026.

Effective Jan. 1, 2024.

(Amends R.S. 47:337.5, 337.23, 337.102(C) and (I)(1) and (2)(a) and 340(E)(2); Adds R.S. 47:337.102(I)(4))

#### Summary of Amendments Adopted by House

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

1. Prohibit the tax, interest, or penalty rates in a taxing jurisdiction, from being changed unless the change is effective on the first day of Jan., April, July, or Oct., and the board and advisory committee have been notified in advance. Requires a taxing authority to notify the single collector for the parish of the date a change in a tax, interest, or penalty rate becomes effective.
2. Authorize the failure or refusal of a taxing authority to provide timely notice of a rate change to the single collector for a parish to be an absolute defense against a claim by a taxing authority against the single tax collector for the parish.
3. Define a "tax rate change" for purposes of proposed law.
4. Remove present law requirement that the chair of the board also serve as chair of the committee.
5. Remove attorney fees from the list of information excepted in present law from information that must be uniform on sales tax returns for all taxing authorities.
6. Require each collector to provide certain requested information to the board and the committee *rather* than the secretary of DOR and the committee and extend the requirement for submission of information to information necessary to *maintain* the uniform electronic local return and remittance system.
7. Authorize failure or refusal of a collector to provide requested information to the board or the advisory committee within the time frame required in present law to design and maintain the uniform electronic local return and remittance system to be an absolute defense against any claim by a taxing authority or collector against the board or advisory committee related to the data utilization system.
8. Add requirement that collectors follow the data validation procedures recommended by the advisory committee and adopted by the board.
9. Authorize the board to impose a fee on any local collector that does not have an executed agreement with the board for the creation, implementation, and on-going maintenance and operation of the uniform local return and remittance system and provide for the amount of the fee and a collection procedure if a collector does not pay the fee within 30 calendar days after imposition.
10. Require the Dept. of Revenue to continue to operate the electronic local return and remittance system used and administered by the department as of Jan. 1, 2024, until the board certifies that the uniform electronic local return and remittance system is available for use by taxpayers.
11. Require the board to implement the uniform electronic local return and remittance system to be available for use by taxpayers no later than Jan. 1, 2026.