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## DIGEST

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HB 171 Engrossed

2023 Regular Session

Beaulieu

**Abstract:** Revises certain conditions under which marketplace facilitators are required to collect and remit state and local sales and use tax on remote sales.

Present law provides relative to administration and collection of state and local sales and use tax on remote sales. Defines "remote sale", "marketplace", "marketplace seller", "marketplace facilitator", and other key terms for purposes of present law. Provides that "marketplace facilitator", with limited exceptions, means any person that facilitates a sale for a marketplace seller through a marketplace, owned, operated, or otherwise controlled by the person, by any of the following:

- (1) Offering for sale through any means, by a marketplace seller, tangible personal property or sales of services for delivery into La.
- (2) Collecting payment from the purchaser and transmitting all or part of the payment to the marketplace seller.

Proposed law retains present law.

Present law requires marketplace facilitators to collect and remit state and local sales and use tax on all taxable remote sales for delivery into La. that the marketplace facilitator transacts on its own behalf or facilitates on behalf of a marketplace seller. Provides, however, that this requirement shall apply only to a marketplace facilitator if, during the previous or current calendar year, either of the following conditions are met:

- (1) The marketplace facilitator's gross revenue for sales delivered into La. exceeded \$100,000 from sales of tangible personal property, products transferred electronically, or services.
- (2) The marketplace facilitator sold for delivery into La. tangible personal property, products transferred electronically, or services in 200 or more separate transactions.

Proposed law revises present law relative to conditions under which marketplace facilitators are required to collect and remit state and local sales and use tax on remote sales. Proposed law stipulates that the gross revenue condition for sales delivered into La. (no. (1) above) applies exclusively to retail sales and repeals the 200-transaction condition (no. (2) above).

Present law provides the following procedure for marketplace facilitators initiating their collection of sales and use taxes on remote sales:

- (1) No later than 30 calendar days after a marketplace facilitator meets the conditions requiring it to collect and remit sales and use taxes, it shall submit an application for approval to collect such taxes to the La. Sales and Use Tax Commission for Remote Sellers (hereafter, the "commission").
- (2) A marketplace facilitator shall commence collection of sales and use taxes, once notified the commission has approved the application, no later than 60 days after meeting the conditions requiring it to collect and remit such taxes.

Proposed law adds an interim step to this procedure requiring the commission to approve or deny the marketplace facilitator's application and notify the marketplace facilitator of the approval or denial no later than 20 calendar days after receiving the application.

(Amends R.S. 47:340.1(C)(2) and (3) and (D))