

2025 Regular Session

HOUSE BILL NO. 523

BY REPRESENTATIVE ROMERO

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

TAX/SALES & USE: Authorizes municipalities to compensate dealers for accounting for and remitting local sales taxes

1 AN ACT

2 To enact R.S. 47:337.2(B)(3)(e), 337.18(A)(3), 337.23(C)(1)(a)(ii), and 340(G)(6)(d),

3 relative to sales and use taxes; to provide for the compensation of certain dealers for

4 the accounting for and remittance of taxes levied by certain local taxing authorities;

5 to provide for the amount of compensation; to authorize vendor's compensation as

6 an item on certain electronic tax returns; to provide for limitations; to provide for

7 applicability; to provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:337.2(B)(3)(e), 337.18(A)(3), 337.23(C)(1)(a)(ii) and

10 340(G)(6)(d) are hereby enacted to read as follows:

11 §337.2. Intent; application and interpretation of Chapter

12 * * *

13 B.

14 * * *

15 (3) Other provisions of law or local ordinance shall control and be applicable

16 only with respect to the following:

17 * * *

18 (e) Vendor's compensation.

19 * * *

1 §337.18. Returns and payment of tax; penalty for absorption

2 A. General provisions.

3 * * *

4 (3) For the purpose of compensating the dealer in accounting for and
5 remitting the tax levied by the local ordinance, each dealer shall be allowed
6 compensation at the rate specified in the local ordinance in the form of a deduction
7 in submitting his report and paying the amount due by him, provided the amount due
8 was not delinquent at the time of payment. The amount of any credit claimed for
9 taxes already paid to a wholesaler, as authorized by Subsection B of this Section,
10 shall not be deducted in computing the compensation allowed the dealer.

11 * * *

12 §337.23. Uniform electronic local return and remittance system; official record of
13 tax rates and exemptions; filing and remittance of local sales and use taxes;
14 penalties for violations

15 * * *

16 C. The uniform electronic local return and remittance system and the posting
17 of the information required by Subsection H of this Section shall be managed,
18 maintained, and supervised by the board with the advice of the advisory committee
19 and the secretary, and the system shall include the following:

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

22 * * *

23 (ii) The vendor's compensation allowed.

24 * * *

25 §340. Louisiana Sales and Use Tax Commission for Remote Sellers; members;
26 powers

27 * * *

28 G. The commission shall have the power, duty, and authority:

29 * * *

1 (6) To require remote sellers and qualifying nonremote sellers to register
2 with the commission.

3 * * *

4 (d) Vendor's compensation shall be allowed as a deduction against tax due
5 if the return is filed timely on or before the twentieth day of the month following the
6 month of collection and all taxes shown due on the return is remitted on or before the
7 twentieth day of the month following the month of collection. The commission shall
8 apply each taxing jurisdiction's specific rate of vendor's compensation as a deduction
9 against tax due and shall reduce the monthly distribution provided for by Paragraph
10 (E)(2) of this Section accordingly.

11 * * *

12 Section 2. The provisions of this Act shall be applicable to all taxable transactions
13 occurring on or after July 1, 2025.

14 Section 3. This Act shall become effective upon signature by the governor or, if not
15 signed by the governor, upon expiration of the time for bills to become law without signature
16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
17 vetoed by the governor and subsequently approved by the legislature, this Act shall become
18 effective on the day following such approval.

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 523 Original

2025 Regular Session

Romero

Abstract: Authorizes municipalities to compensate dealers for accounting for and remitting local sales taxes at the rate specified in the local ordinance adopted by the political subdivision.

Present law provides for the levy, collection, and remittance of local sales and use taxes. Further requires taxes levied by local ordinance to be due and payable monthly on the first day of the month. All dealers are required to transmit to the collector, on or before the 20th day of the month following the month in which the tax is due returns showing the gross sales, purchases, gross proceeds from lease or rental, gross payments for lease or rental, gross proceeds derived from sales of services, or gross payments for services, as the case may be, arising from all taxable transactions during the preceding calendar month.

Proposed law retains present law and authorizes each dealer to be compensated for collecting and remitting the tax levied by the local ordinance at a rate specified in the local ordinance in the form of a deduction in submitting the sales tax report to the collector and paying the amount due, provided the amount due was not delinquent at the time of payment. Proposed law prohibits any credit amounts claimed for taxes already paid to a wholesaler from being deducted in computing the compensation allowed the dealer.

Present law authorizes a taxpayer to 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 as established in present law. Further provides that the system by which such taxpayers file electronically and pay their taxes shall be managed, maintained, and supervised by the La. Uniform Local Sales Tax Board.

Present law requires the system to allow taxpayer to file a sales and use tax return that is uniform for each taxing authority except for items such as the rate of the taxing authority's tax and optional exclusions or exemptions allowed by state sales and use tax law, adopted by a local ordinance.

Proposed law retains present law but adds the amount of vendor's compensation allowed to a dealer for collection and remittance of local sales and use taxes to the items that are exempted from uniformity requirements.

Present law establishes the La. Sales and Use Tax Commission for Remote Sellers, (commission) within the Dept. of Revenue for the administration and collection of sales and use taxes imposed by the state and political subdivisions with respect to remote sales. The commission shall have the power, duty, and authority to require remote sellers and qualifying nonremote sellers to register with the commission.

Proposed law retains present law and adds requirement that vendor's compensation be allowed as a deduction against tax due if the sales tax return is filed timely and all taxes shown due on the return are remitted on or before the 20th day of the month following the month of collection. Proposed law further requires the commission to apply each taxing jurisdiction's specific rate of vendor's compensation as a deduction against tax due and shall reduce the monthly distribution provided for in present law to the political subdivision accordingly.

Applicable to all taxable transactions occurring on or after July 1, 2025.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:337.2(B)(3)(e), 337.18(A)(3), 337.23(C)(1)(a)(ii), and 340(G)(6)(d))