

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: Provides for the payment of vendor's compensation for the timely collection and remittance of state and local sales taxes

1 AN ACT

2 To amend and reenact R.S. 47:306(A)(3) and to enact R.S. 47:337.2(B)(3)(e), 337.18(A)(3),

3 337.23(C)(1)(a)(ii), and 340(G)(6)(d), relative to sales and use taxes; to provide for

4 the compensation of certain dealers for the accounting for and remittance of taxes

5 levied by taxing authorities; to provide for the amount of compensation; to authorize

6 vendor's compensation as an item on certain electronic tax returns; to provide for

7 limitations; to provide for applicability; to provide for effectiveness; and to provide

8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:306(A)(3) is hereby amended and reenacted and R.S.

11 47:337.2(B)(3)(e), 337.18(A)(3), 337.23(C)(1)(a)(ii), and 340(G)(6)(d) are hereby enacted

12 to read as follows:

13 §306. Returns and payment of tax; penalty for absorption

14 A.

15 * * *

16 (3)~~(a)~~ For the purpose of compensating the dealer in accounting for and

17 remitting the tax levied by this Chapter, each dealer shall be allowed ~~one and five~~

18 eighty-four hundredths of one percent of the amount of tax due and accounted for

19 and remitted to the secretary in the form of a deduction in submitting his report and

1 paying the amount due by him, provided the amount of any credit claimed for taxes
 2 already paid to a wholesaler shall not be deducted in computing the commission
 3 allowed the dealer ~~hereunder~~ pursuant to this Paragraph. The aggregate state
 4 compensation for a dealer who operates one or more business locations within
 5 Louisiana shall not exceed seven hundred fifty dollars per calendar month. This
 6 compensation shall be allowed only if the payment of the dealer is timely paid and
 7 the return is timely filed. ~~Notwithstanding any other provision of law, the calculation~~
 8 ~~of this deduction shall be based only on the taxes levied pursuant to R.S. 47:302,~~
 9 ~~321, 331, and R.S. 51:1286. There shall be no compensation for the taxes accounted~~
 10 ~~for and remitted pursuant to R.S. 47:321.1 or any other sales tax levied by the state.~~

11 (b) Municipalities are hereby authorized to pay compensation to their sales
 12 tax dealers in any amounts designated by the governing body of the municipality.

13 * * *

14 §337.2. Intent; application and interpretation of Chapter

15 * * *

16 B.

17 * * *

18 (3) Other provisions of law or local ordinance shall control and be applicable
 19 only with respect to the following:

20 * * *

21 (e) Vendor's compensation.

22 * * *

23 §337.18. Returns and payment of tax; penalty for absorption

24 A. General provisions.

25 * * *

26 (3) For the purpose of compensating the dealer in accounting for and
 27 remitting the tax levied by a local ordinance, including a municipal ordinance, each
 28 dealer shall be allowed compensation at the rate of eighty-four hundredths of one
 29 percent of the amount of tax due and accounted for and remitted to the collector in

1 the form of a deduction in submitting his report and paying the amount due by him.

2 The amount of any credit claimed for taxes already paid to a wholesaler, as
3 authorized by Subsection B of this Section, shall not be deducted in computing the
4 compensation allowed the dealer pursuant to this Paragraph. The aggregate local
5 compensation for a dealer who operates one or more business locations within the
6 parish shall not exceed seven hundred fifty dollars per calendar month. This
7 compensation shall be allowed only if the payment of the dealer is timely paid and
8 the return is timely filed.

9 * * *

10 §337.23. Uniform electronic local return and remittance system; official record of
11 tax rates and exemptions; filing and remittance of local sales and use taxes;
12 penalties for violations

13 * * *

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

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

20 * * *

21 (ii) The vendor's compensation allowed.

22 * * *

23 §340. Louisiana Sales and Use Tax Commission for Remote Sellers; members;
24 powers

25 * * *

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

27 * * *

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

30 * * *

Proposed law retains present law as it relates to the maximum monthly amount of \$750 but decreases the rate of the state compensation paid to dealers from 1.05% of the amount of tax due and accounted for to .84% of the amount of tax due and accounted for.

Present law authorizes municipalities to pay compensation to sales tax dealers in amounts designated by the governing body of the municipality. Proposed law repeals present law.

Proposed law authorizes each dealer to be compensated for collecting and remitting the tax levied by a 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 timely collected and remitted. Proposed law limits the maximum amount that a dealer may be compensated for timely collecting and remitting local sales taxes to .84% of the amount of tax due and accounted for a maximum monthly amount of \$750.

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.

(Amends R.S. 47:306(A)(3); Adds R.S. 47:337.2(B)(3)(e), 337.18(A)(3), 337.23(C)(1)(a)(ii), and 340(G)(6)(d))

Summary of Amendments Adopted by House

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

1. Add vendor's compensation provisions relative to compensation for collection and remittance of state sales taxes and reduce the maximum rate for this

compensation from 1.05% of the amount of tax collected and remitted to .84% of the amount of tax collected and remitted.

2. Remove authorization for the amount of compensation paid to dealers for collecting and remitting local sales taxes from amounts set forth by local ordinances to .84% of the amount collected and remitted not to exceed \$750 per month.