

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 653 by Representative Robideaux

TAX/SALES & USE: Changes the state sales and use tax rate and provides for the taxability of sale and services

Synopsis of Senate Amendments

1. Reduces the rate of dealer compensation from 1.1% to .935% of taxes collected.
2. Removes the \$100 cap on the amount of dealer compensation allowed per month.
3. Switches the basis for calculating the dedication of a portion of sales and use tax monies to marketing and economic development purposes (Marketing Fund and La. Economic Development Fund) from a dedication of an amount equal to 37% of the amount of monies paid in dealer compensation to a dedication of four tenths of 1% of all collections from the 2 cent sales and use tax.
4. Adds a specific dedication of \$500,000 for the Regional Awards and Matching Grant Program from monies excess of that required to be deposited into the Marketing Fund, and before the residual is deposited into the La. Economic Development Fund.
5. Deletes provision for proposed law to become operative only if a list of proposed constitutional amendments and other House bills were either concurred in or enacted into law.

Digest of Bill as Finally Passed by Senate

Present law imposes a 4% state tax upon the sale, use, consumption, storage, or rental of certain tangible personal property and services.

Present law provides that a dealer may deduct and retain an amount equal to 1.1% of taxes collected as compensation for accounting for and remitting the taxes in a timely manner.

Proposed law changes present law by changing the rate of dealer compensation from 1.1% to .935% of taxes collected.

Present law requires that an amount equal to 37% of the amount paid in vendor's compensation be deposited into the Marketing Fund (\$2 million) and the La. Economic Development Fund (residual). Monies in the Marketing Fund are dedicated for specific economic development and marketing purposes.

Proposed law changes present law by requiring that an amount equal to four-tenths of one percent of the proceeds of the 2 cent levy of the state sales tax be deposited into the Marketing Fund (\$2 million) and the La. Economic Development Fund (residual).

Proposed law further adds a specific dedication of \$500,000 for the Regional Awards and Matching Grant Program from monies excess of that required to be deposited into the Marketing Fund (\$2 million), and before residual monies are deposited into the La. Economic Development Fund.

Proposed law provides that it is the duty of the secretary of the Dept. of Revenue to collect

taxes due upon the sale in La. of tangible personal property or services by a remote seller. Further, proposed law authorizes and directs the secretary to use all means available to ensure the collection of such taxes.

Applicable to taxable transactions occurring on and after July 1, 2013.

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

(Amends R.S. 47:306(A)(3) and 318(A) and (D); adds R.S. 47:302(U))