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## DIGEST

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### CONFERENCE COMMITTEE REPORT DIGEST

House Bill No. 653 by Representative Robideaux

#### **Keyword and oneliner of the instrument as it left the House**

TAX/SALES & USE: Changes the rate of dealer's compensation for accounting for and remitting state sales and use taxes, changes the dedication of sales and use tax to the Marketing Fund and the La. Economic Development Fund, and provides with respect to collection of use tax on remote sales

#### **Report adopts Senate amendments to:**

1. Change the rate of dealer's compensation from 1% to .935% of taxes collected and remitted, and remove the \$100 per month cap.
2. Dedicate to the Marketing Fund and the La. Economic Development Fund an amount equal to four-tenths of one percent of the proceeds of the 2 cent levy of the state sales and use tax.
3. Deletes language tying enactment of proposed law to concurrence and enactment of various House bills.

#### **Report rejects Senate amendments which would have:**

1. Dedicated to the Regional Awards and Matching Grant Program \$500,000 from the monies dedicated to the Marketing Fund and the La. Economic Development Fund under present law.

#### **Report amends the bill to:**

1. Add the 1%, 0.97%, and .03% state sales and use tax levies to the base used to calculate the dedication for the Marketing Fund and the La. Economic Development Fund.

#### **Digest of the bill as proposed by the Conference Committee**

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 each year in dealer'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 4% state sales and use tax levies be deposited into the Marketing Fund (\$2 million) and the La. Economic Development fund (residual).

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); adds R.S. 47:302(U))