

CONFERENCE COMMITTEE REPORT

HB 336

2015 Regular Session

Connick

June 10, 2015

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 336 by Representative Connick, recommend the following concerning the Engrossed bill:

1. That the set of Senate Committee Amendments proposed by the Senate Committee on Revenue and Fiscal Affairs and adopted by the Senate on June 2, 2015, be rejected.

Respectfully submitted,

Representative Patrick Connick

Senator Neil Riser

Representative Joel C. Robideaux

Senator Edwin R. Murray

Representative Joe Harrison

Senator Robert Adley

 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)]

CONFERENCE COMMITTEE REPORT DIGEST
HB 336
2015 Regular Session
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Keyword and oneliner of the instrument as it left the House

TAX/SALES & USE: Provides for the collection of sales and use tax imposed on the purchase of motor vehicles by certain foreign business entities

Report rejects Senate amendments which would have:

1. Changed the effective date from upon signature of the governor to Jan. 1, 2016, only if the Acts that originated as Senate Bill No. 223, and was adopted by substitute as Senate Bill No. 284, and House Bill No. 828, both of the 2015 Regular Session of the Legislature, are enacted and become effective.

Digest of the bill as proposed by the Conference Committee

Present law provides for the collection of sales and use tax imposed on certain articles of tangible property, including any motor vehicle, automobile, motorcycle, truck, truck-tractor, trailer, semi-trailer, motor bus, house trailer, or any other vehicle subject to the vehicle registration license tax.

Proposed law retains present law but authorizes the department to collect sales and use tax on motor vehicles purchased by foreign business entities if the department determines that the purpose of the foreign business entity was tax avoidance. Requires the department to consider the following in making its determination:

- (1) Whether there is a specific business purpose for the foreign business entity to acquire the vehicle other than the avoidance of the tax imposed by present law.
- (2) Whether the users of the vehicle compensate the foreign business entity reasonably for the use of the vehicle.
- (3) Whether the foreign business entity fails to maintain a physical location in the foreign state.
- (4) Whether the foreign business entity fails to employ individual persons and provide those persons with Internal Revenue Service Form W-2 wage and tax statements.
- (5) Whether the foreign business entity fails to file federal tax returns, or fails to file a required state tax return in the foreign state.
- (6) The location of where the vehicle is stored.
- (7) The jurisdiction where the vehicle is typically used.
- (8) The domicile of the most frequent drivers and passengers of the vehicle.
- (9) The duration of the trips for which the vehicle is used.

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

(Adds R.S. 47:303(B)(8))