

2016 First Extraordinary Session

HOUSE BILL NO. 21

BY REPRESENTATIVE BROADWATER

TAX/SALES & USE: Provides for the amount of vendors (dealers) compensation payable for the collection and remittance of state sales and use taxes (Item #21)

1 AN ACT

2 To amend and reenact R.S. 47:306(A)(3)(a), relative to state sales and use tax; to provide for
3 the amount of dealer compensation for the accounting for and the remittance of taxes
4 to the state; to provide for limitations; to provide for applicability; to provide for
5 effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:306(A)(3)(a) is hereby amended and reenacted to read as follows:

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

9 A. General provisions.

10 * * *

11 (3)(a) For the purpose of compensating the dealer in accounting for and
12 remitting the tax levied by this Chapter, each dealer shall be allowed ~~.935 percent a~~
13 portion of the amount of tax due ~~and accounted for and remitted~~ as compensation for
14 the accounting for and remittance of taxes to the secretary, which shall be payable
15 in the form of a deduction in submitting his report and paying the amount due by
16 him, provided the amount of any credit claimed for taxes already paid to a
17 wholesaler shall not be deducted in computing the commission allowed the dealer
18 hereunder. This compensation shall be allowed only if the payment of the dealer is

1 timely paid and the return is timely filed. Compensation for a dealer who operates
2 one or more business locations within Louisiana is authorized as follows:

3 (i) An amount equal to 0.935% of the taxes collected and remitted, until the
4 dealer has been compensated ten thousand dollars per calendar year.

5 (ii) After satisfaction of the requirements of Item (i) of this Subparagraph,
6 an amount equal to 0.50% of the taxes collected and remitted until the dealer has
7 received an additional ten thousand dollars of compensation per calendar year.

8 (iii) No dealer shall be compensated more than twenty thousand dollars per
9 calendar year.

10 * * *

11 Section 2. This Act shall become effective on April 1, 2016, and shall be applicable
12 to all taxable transactions occurring on or after April 1, 2016.

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 21 Original 2016 First Extraordinary Session Broadwater

Abstract: Relative to the collection of state sales and use tax, provides for the rates and annual limits on amounts authorized for compensation of a dealer (a/k/a "vendor") for the collection, accounting, and remittance of state sales and use taxes.

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

Present law requires that a dealer either monthly or quarterly transmit to the Dept. of Revenue a tax return showing the gross sales, gross proceeds from lease or rental, gross payments for lease or rental, gross proceeds derived from sales of services, or gross payments for services, arising from all of their taxable transactions during the preceding calendar month. The return shall also include a computation of taxes due.

Present law authorizes a dealer to deduct and retain an amount equal to 0.935% of taxes collected as compensation for accounting for and remitting the taxes in a timely manner.

Proposed law changes the structure for the payment of dealer compensation by establishing two different rates of compensation and an aggregate annual limit on the amount of compensation payable to a dealer.

Proposed law retains the compensation rate of 0.935% of taxes collected, but limits the payments at this rate to \$10,000 per calendar year. Thereafter, a dealer may receive compensation of up to an additional \$10,000 per calendar year, but the rate is reduced to 0.50% of taxes collected and remitted.

Proposed law establishes an aggregate annual limit of \$20,000 per calendar year in compensation for a dealer who maintains one or more locations in La.

Applicable to all taxable transactions occurring on or after April 1, 2016.

Effective April 1, 2016.

(Amends R.S. 47:306(A)(3)(a))