

2016 Regular Session

HOUSE BILL NO. 825

BY REPRESENTATIVE CONNICK

TAX/SALES & USE: Provide for the centralized collection of local sales and use taxes by the Department of Revenue

1 AN ACT

2 To amend and reenact R.S. 47:337.6(A), 337.16, 337.25, 337.64(A), and  
3 337.80(A)(introductory paragraph), and to enact R.S. 47:337.22(E) and 337.23(L),  
4 and to repeal R.S. 47:337.13 and 337.14, relative to the collection of local sales and  
5 use taxes; to require that all sales and use taxes levied by a local taxing authority in  
6 the state be collected by the state; to provide for the duties and authority of the  
7 secretary of the Department of Revenue; to provide for the accounting and  
8 disposition of the local taxes collected; to require reporting; to authorize the  
9 inspection of certain records; to provide for certain administrative remedies; to  
10 authorize rulemaking; to repeal certain provisions relating to local collection of sales  
11 and use taxes; to provide for effectiveness; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 47:337.6(A), 337.16, 337.25, 337.64(A), and 337.80(A)(introductory  
14 paragraph) are hereby amended and reenacted and R.S. 47:337.22(E) and 337.23(L) are  
15 hereby enacted to read as follows:

16 §337.6. Definitions

17 A. The following words, terms, and phrases used in this Chapter shall have  
18 the meaning ascribed to them in this Subsection, unless the context clearly indicates  
19 a different meaning:

20 (1) "Collector" means the secretary of the Department of Revenue.



1 ~~paid by the taxing authorities, and such other terms and conditions necessary to~~  
2 ~~effectuate the contract.~~ The secretary shall establish a program for the collection and  
3 distribution of sales and use taxes levied by all local taxing authorities in the state,  
4 hereinafter referred to as "non-state tax proceeds". Within the department there shall  
5 be a specific staff with the primary responsibility of ensuring the prompt collection  
6 and remittance of non-state tax proceeds. A member of the staff shall be available  
7 every day of the year, twenty-four hours per day, and provide for and maintain a  
8 system which allows for the sharing of real time data on the collection of taxes for  
9 the benefit of the local taxing authorities for whom the taxes are collected.

10 C. The program shall provide for the transmission of the non-state tax  
11 proceeds to each respective local collector as follows: taxes collected by electronic  
12 means shall be transmitted within four days of receipt, and taxes collected by check  
13 shall be transmitted within twenty days of receipt. The method for accounting and  
14 distribution of non-state tax proceeds shall be determined by agreement of the  
15 secretary and the state treasurer, and non-state tax proceeds shall not be considered  
16 state monies and shall therefore not be subject to appropriation. The secretary shall  
17 deduct an amount not greater than one-half of one percent of the taxes collected as  
18 compensation for the collection service and to provide for continued support of the  
19 staff assigned to this function. The fee to be charged for collection on behalf of each  
20 taxing authority shall be determined by agreement of the secretary and the respective  
21 taxing authority.

22 D. No later than February 1, 2017, the single collector for each parish shall  
23 provide the secretary with a copy of all local ordinances affecting the imposition of  
24 sales and use taxes in the parish and shall notify the secretary within ten days after  
25 approval of any action imposing a new tax or otherwise affecting the imposition of  
26 an existing tax. The notice shall be no later than seventy-five days prior to the  
27 effective date of the change and shall specify the tax rate or base change, the time  
28 period during which the change shall be in effect, and include a copy of the local tax  
29 ordinance and any other information as may be required by the secretary.

1           E. There shall be a monthly reconciliation of the account for each parish,  
2           which shall provide detailed information regarding the amounts of tax collected and  
3           remitted to the local collector.

4           F.(1) On a quarterly basis, the secretary shall provide a report of the taxes  
5           collected and the cost of collection to each separate local taxing authority for which  
6           sales and use taxes were collected and remitted pursuant to this Section. The report  
7           shall include the name, address, and account number of each person from whom the  
8           secretary has collected a tax payment, or to whom he has made a refund payment or  
9           credit, during the quarter covered by the report.

10           (2) Upon the request of a local taxing authority, the secretary shall make an  
11           additional quarterly report to the taxing authority that includes the amount of tax due  
12           from each person identified by the secretary as doing business in the jurisdiction of  
13           the taxing authority who has failed to pay the taxes determined to be due by the  
14           secretary. The additional report shall state whether there has been a partial tax  
15           payment by the delinquent taxpayer and whether the taxpayer is also delinquent in  
16           the payment of state sales and use taxes. The report shall also include an explanation  
17           of any action taken by the secretary to collect the delinquent taxes owed to the taxing  
18           authority.

19           (3) If the local taxing authority determines that a person doing business in  
20           its jurisdiction is not included in the report, the taxing authority may provide to the  
21           secretary the name and address of the person, and within ninety days of receipt of the  
22           information, the secretary shall send one of the following to the taxing authority:

23           (a) An explanation as to why the person is not obligated to pay the tax.

24           (b) A statement that the person is obligated to pay the tax and that the tax is  
25           delinquent.

26           (c) A statement that the person is obligated to pay the tax, and the amount  
27           of the tax that has been collected and credited to the taxing authority's special  
28           account.







to be charged for collection on behalf of each taxing authority shall be determined by agreement of the secretary and the respective taxing authority.

Proposed law provides that secretary shall have no duty or authority to in any way administer the levy and enforcement of any tax levied by any local taxing authority. Further, all responsibility for administration and enforcement of sales and use taxes, including the consideration and payment of refund claims, shall remain with the local taxing authority levying the tax.

Proposed law requires the single collector in each parish, by Feb. 1, 2017, to provide the secretary copies of all local ordinances affecting sales and use taxes imposed in the parish. Further, a local taxing authority levying a sales and use tax shall notify the secretary within 10 days after approval, and no later than 75 days prior to the effective date of, any action concerning a new tax or the imposition of an existing tax.

Proposed law requires the secretary to prepare a monthly reconciliation of the account for each parish, which shall provide detailed information regarding the amounts of tax collected and remitted to the local collector.

Proposed law requires the secretary to provide a quarterly report of taxes collected and the cost of collection to each taxing authority. A taxing authority is required to report to the secretary the names of persons it determines who are doing business in the jurisdiction of the taxing authority which are not included in the quarterly report.

Proposed law authorizes a taxing authority to request an additional report of persons doing business in the jurisdiction of the taxing authority who have failed to pay taxes due, which shall include information regarding partial payments, delinquent taxes, and steps taken to collect the tax due, and provides for the information to be included in the secretary's report.

Proposed law provides that the governing authority of a taxing authority may request to investigate the records of the office concerning the collection of the taxes it levies, no more than twice per year. The secretary is required to acknowledge the request and respond within 10 days. The investigation may occur no more than 20 days after the date of the secretary's response or at the convenience of the taxing authority, whichever is later. Upon request of the taxing authority or the secretary, the legislative auditor is required, to the degree practicable, to provide assistance to the taxing authority in the investigation of the records.

Proposed law provides that the collection by the secretary of sales and use taxes levied by a taxing authority is subject to the same provisions as state sales and use taxes regarding the collection of taxes.

Present law provides that each local collector of each taxing authority of this state, who is charged by law with the duty of collecting a tax, shall be the proper party to bring suits in his official capacity for the collection of taxes.

Proposed law retains present law.

Proposed law redefines the designation of "collector", defines "local collector" and "department", and clarifies provisions specific to local collectors in various places in the Uniform Local Sales Tax Code to conform to collection of taxes by the secretary rather than the various single collectors for each parish.

Present law requires that any sales and use tax levied by taxing authorities located within a single parish may be collected by a single tax collector for that parish and provides for contract collection agreements and joint sales and use tax commissions as mechanisms for collection of local sales and use taxes.

Proposed law repeals present law.



Present law provides that local sales and use taxes shall be collected by a central collection commission in those parishes where a single collector has not been established by July 1, 1992, and provides for the composition and authority of the collection commission.

Proposed law repeals present law.

Effective Jan. 1, 2017, if the proposed amendment of Const. Art. VII, §3(C) contained in the Act which originated as House Bill No. \_\_\_\_ of this 2017 R.S. of the Legislature is adopted at the statewide election to be held on Nov. 8, 2017, and becomes effective.

(Amends R.S. 47:337.6(A), 337.16, 337.25, 337.64(A), and 337.80(A)(intro. para.); Adds R.S. 47:337.22(E) and 337.23(L); Repeals R.S. 47:337.13 and 337.14)