



Louisiana House of Representatives

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Constitutional Amendment Filed to Streamline Sales Tax Collection in Louisiana

Amendment would bring Louisiana in line with the rest of the country

BATON ROUGE - Today, Louisiana Speaker of the House Clay Schexnayder filed a constitutional amendment drafted with input from numerous stakeholders to unify Louisiana's outdated sales tax collection system. As Louisiana is one of only three states left without a streamlined system, this legislation will make Louisiana more economically competitive as a state, lower compliance costs for our small businesses, allow for enhanced transparency and accountability to taxpayers and provide the needed assurance to state and local government regarding how these collections will be accounted for.

"For the better part of the last year we have been working closely with local and state partners to come up with a solution to our outdated sales tax collection system," said Speaker Schexnayder.

"That hard work has paid off with the introduction of this constitutional amendment."

"This is a historic opportunity for our state that could greatly benefit generations of Louisiana residents," said Senate President Page Cortez.

The 2020 legislative session was an impactful session that saw multiple parties and stakeholders working together to pass monumental legal reform, small business relief, and budget reforms. In 2021, the legislature is committed to continuing this work with all stakeholders to provide comprehensive, consensus-driven solutions to Louisiana problems with tax reform as the main goal. Speaker Clay Schexnayder's constitutional amendment is the focal point of this reform.

The legislation at hand will provide for a unified sales tax collection system where a singular, balanced board will be tasked with streamlining all state and local sales tax functions. This board will provide for simplicity regarding ease of filing, compliance, and payments, but will also bring Louisiana up to speed with the rest of the country to efficiently collect sales tax from those companies who do not have a brick and mortar in Louisiana. Most importantly, it will ensure Louisiana remains compliant with the Supreme Court *South Dakota v. Wayfair, Inc.* decision.

Critical to the development of this approach was the Speaker's HR31 Streamlined Sales and Use Tax Study Group that was assembled last session and chaired by Jason DeCuir. The HR 31 study group involved numerous public meetings where representatives from the legislature, good government organizations, business, and state and local collectors collaborated to discuss best practices and next steps for sales tax reform. This process was highly constructive and resulted in a historic moment where a consensus was reached on how to best reform Louisiana's outdated sales tax collection system.

Today's announcement would not have happened without the efforts of this group, as well as the efforts of previous authors and stakeholders from past reform efforts:

- "Sales tax collections fund vital public safety services across our state. We're happy to have had an opportunity to work closely with the Speaker and our other stakeholders to come up with a solution to our sales tax collection process that keeps sheriffs and local government represented, but makes our state collection process more efficient for members of our community and our economy." - Michael Ranatza, Executive Director of the Louisiana Sheriffs' Association
- "This draft legislation by Speaker Schexnayder is a practical approach to a challenging problem that has long plagued Louisiana taxpayers. Our state's sales tax collection process is holding back Main Street small businesses with confusion, costs, and red tape, which are simply unnecessary burdens that can no longer be ignored as our economy attempts to recover from the pandemic shutdown. We look forward to working closely with all stakeholders through this process to get this right." - Stephen Waguespack, President, and CEO, Louisiana Association of Business and Industry
- "The issue of a streamlined sales tax collection system has been debated for more than a decade. We applaud Speaker Schexnayder's fresh approach to the process, by involving local government and those who will be most impacted by the legislation. Our Association is appreciative to have a seat at the table as our state legislators seek to find a workable solution." – Guy Cormier, Executive Director of the Police Jury Association of Louisiana
- "We all thank the Speaker for his leadership." – Dr. Janet Pope, Executive Director of Louisiana School Boards Association

Moving forward, all the stakeholders involved have pledged to work together to find solutions to any issues that arise, with the collective hope of getting this bill through the legislative process and collectively supporting passage of this Constitutional Amendment on the ballot this fall.

“This is a critically important piece of legislation that will make it easier to do business in our state, create jobs, and help move Louisiana in the right direction and we are fully committed to making it happen,” said Speaker Clay Schexnayder.

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