

Past, Present, and Future of Electronic Tax Collection

**Sales Tax Streamlining and
Modernization Commission**

October 7, 2015

Presentation by

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The Past - Early History

- In 1990's, local collectors recognized the need to have a uniform local sales tax code and regulation
- Representative Mitch Landrieu introduced first draft of the Uniform Tax Code, but it failed due to its volume
- In 2003, Senator Bill Jones revived the project and championed the local's cause

Louisiana Background

- Act 73 of the 2003 Louisiana Legislative Session enacted the Uniform Local Sales Tax Code which also created the **Uniform Electronic Local Return and Remittance System (LRS 47:337.23)**

- A collaborative effort by business, LDR and local government with an oversight Advisory Committee of a 5 member:
 - PJA/SBA/LMA
 - La. Society-CPA
 - Retail Dealers Assoc./LABI
 - Sec of Revenue
 - LATA-Chair

Goals and Objectives

- **Make** each jurisdiction a better business environment
- **Increase** compliance by reducing the complexities for out-of-state taxpayers
- **Create** uniformity in filing returns between multiple taxing authorities
- **Accurately** calculates the tax remittance and any penalty/interest, if due

Goals and Objectives (cont.)

- Create single location to lookup tax rates
- Guarantee of a correct tax rate -- the taxpayer is held harmless if a published local rate is incorrect

All funds are sent directly into collector's bank account

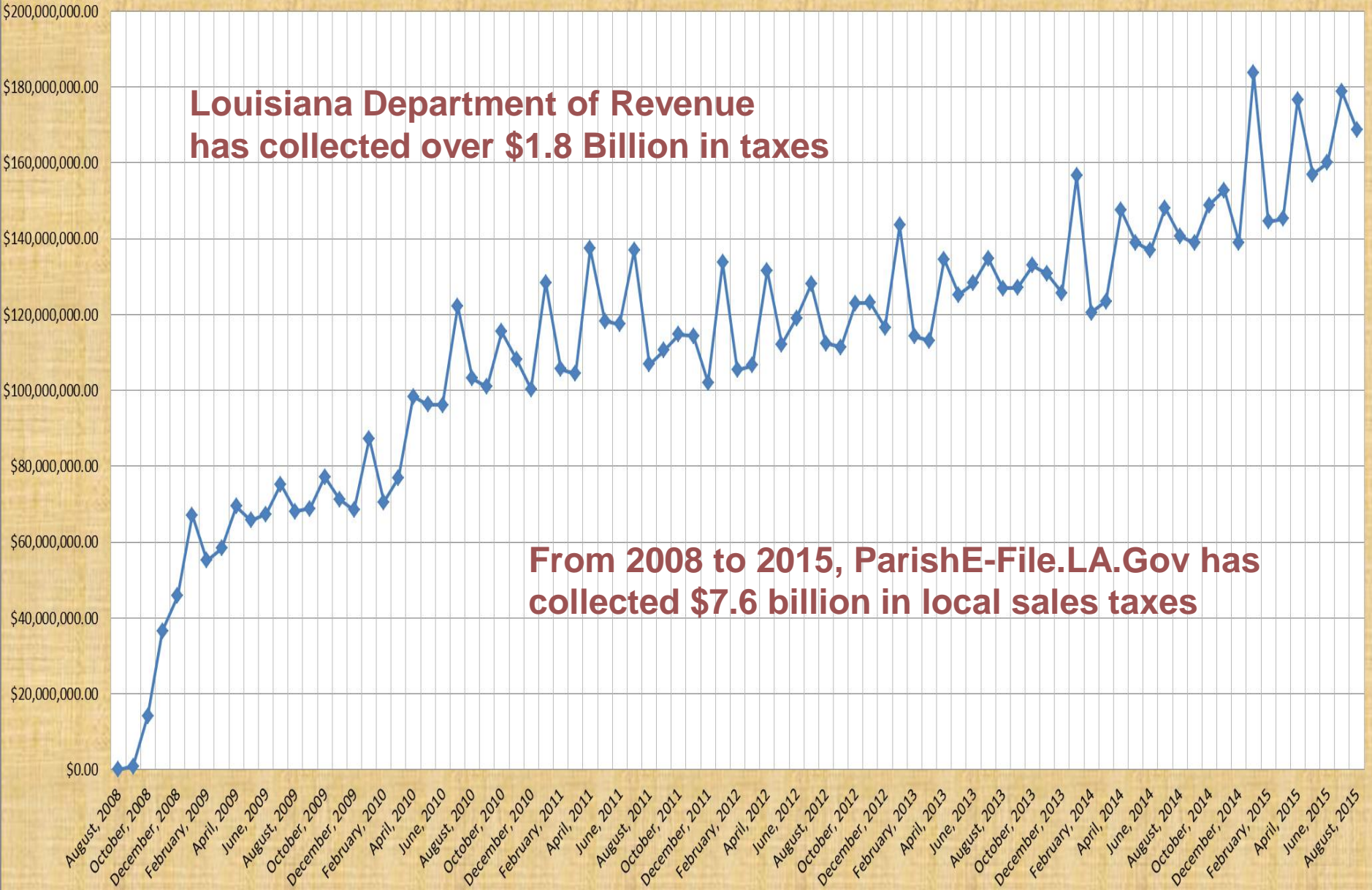
E-Filing Stats

- **ParishE-File.LA.Gov** (previously ParishE-File.com) was launched on October 1st, 2008 for all parishes in Louisiana
- In 4th Quarter of 2008, the system collected \$70 million
- From 2008 to 2015, **ParishE-File.LA.Gov** has collected \$9.5 Billion in sales taxes on 5.5 million tax returns (State and Local)

PEF Monthly Total Tax Amount

**Louisiana Department of Revenue
has collected over \$1.8 Billion in taxes**

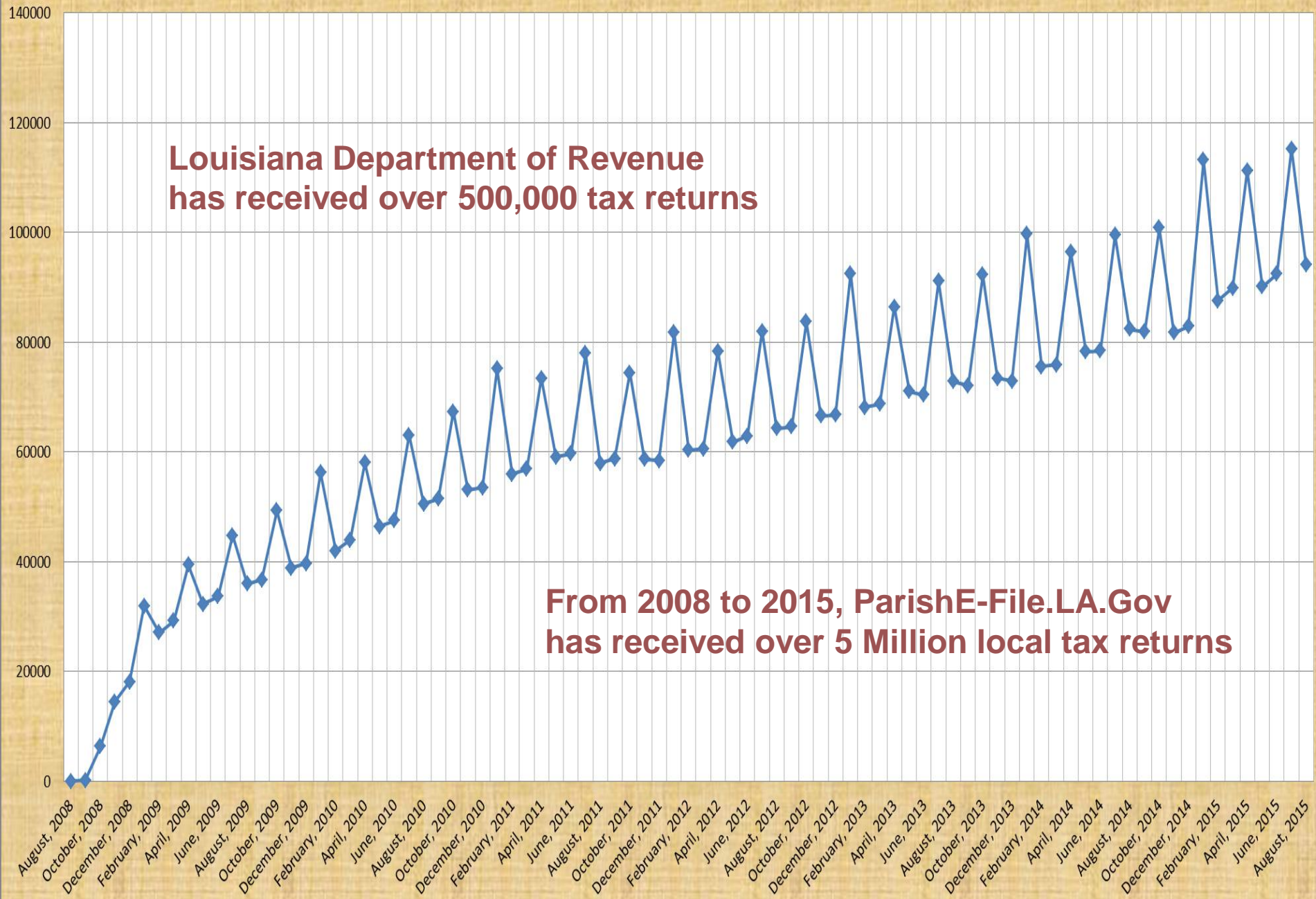
**From 2008 to 2015, ParishE-File.LA.Gov has
collected \$7.6 billion in local sales taxes**



PEF Monthly Total Number of Returns

**Louisiana Department of Revenue
has received over 500,000 tax returns**

**From 2008 to 2015, ParishE-File.LA.Gov
has received over 5 Million local tax returns**



The Present –

Multiple e-Filing/Pay Portal Sites

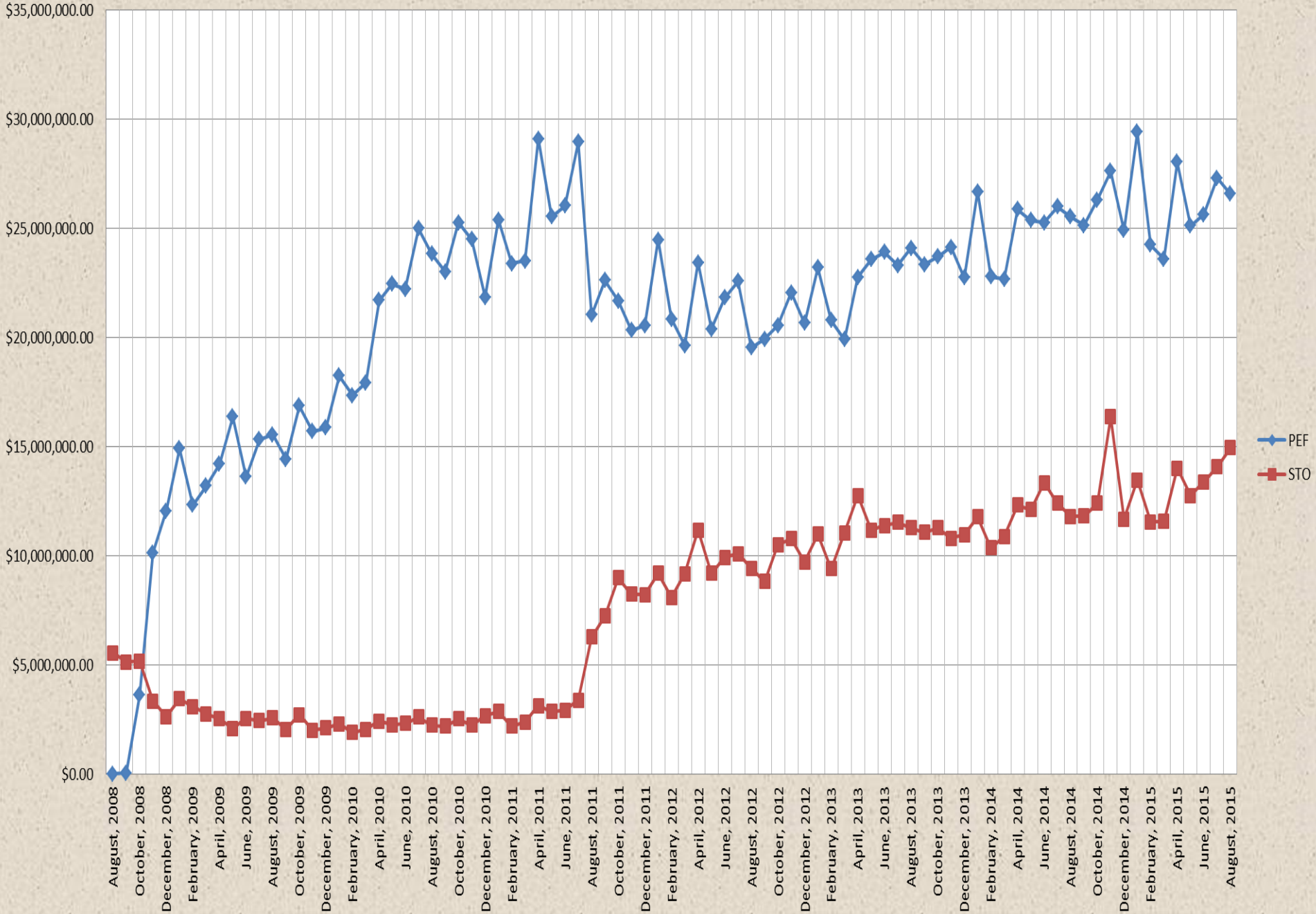
- ParishE-File.LA.Gov



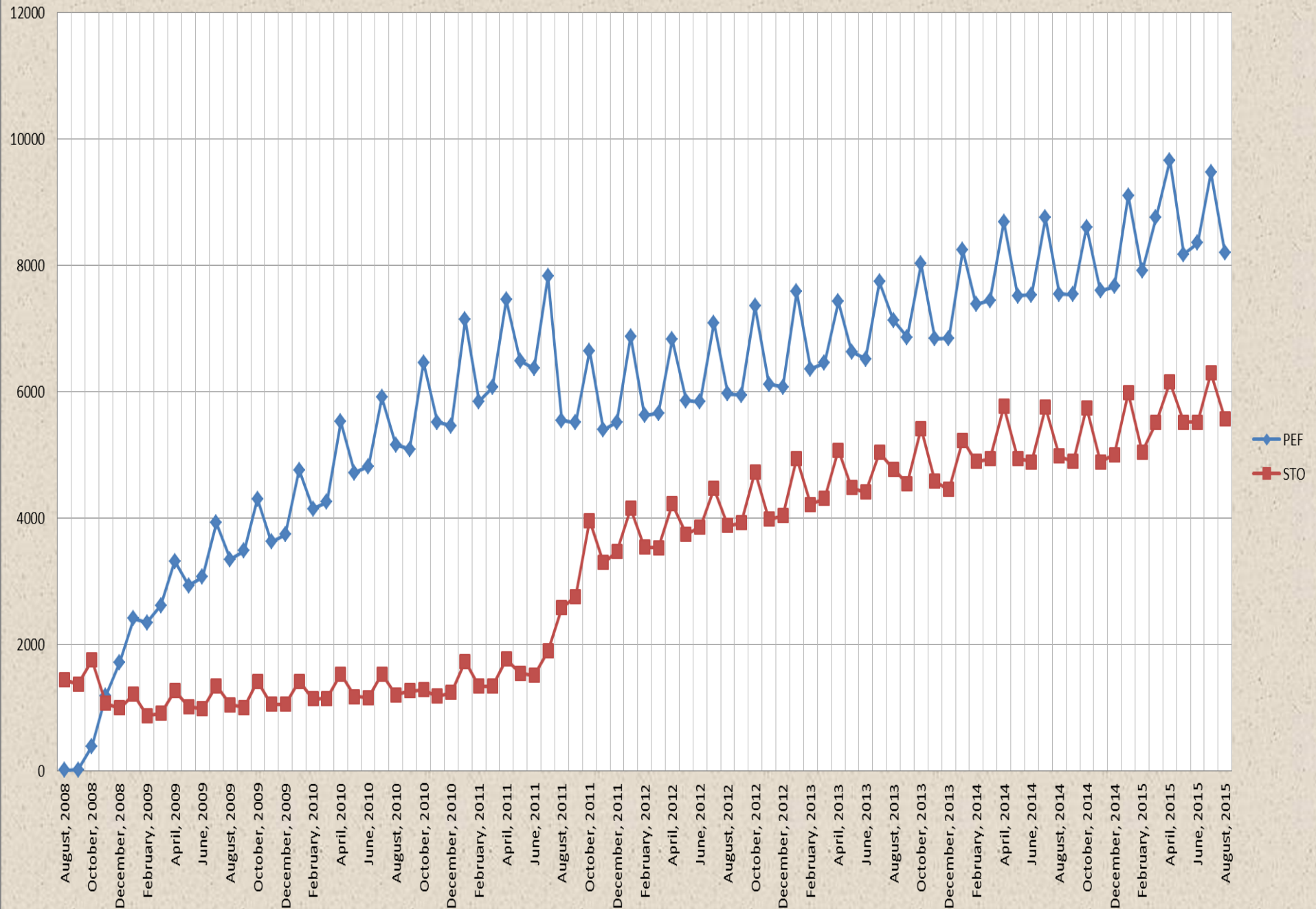
- SalesTaxOnline.com



Comparison of State Monthly Total Tax Amount



Comparison of State Monthly Total Number of Returns



Ascension Parish E-Filing Statistics

- **73% of total Ascension Parish returns are filed electronically**
- **81% of total Ascension Parish taxes are remitted electronically**

E-Filing Solution

1) Taxpayer Experience

- Saved profile information (returns/banking)
- One-Stop Registration
- History of filed returns/payments

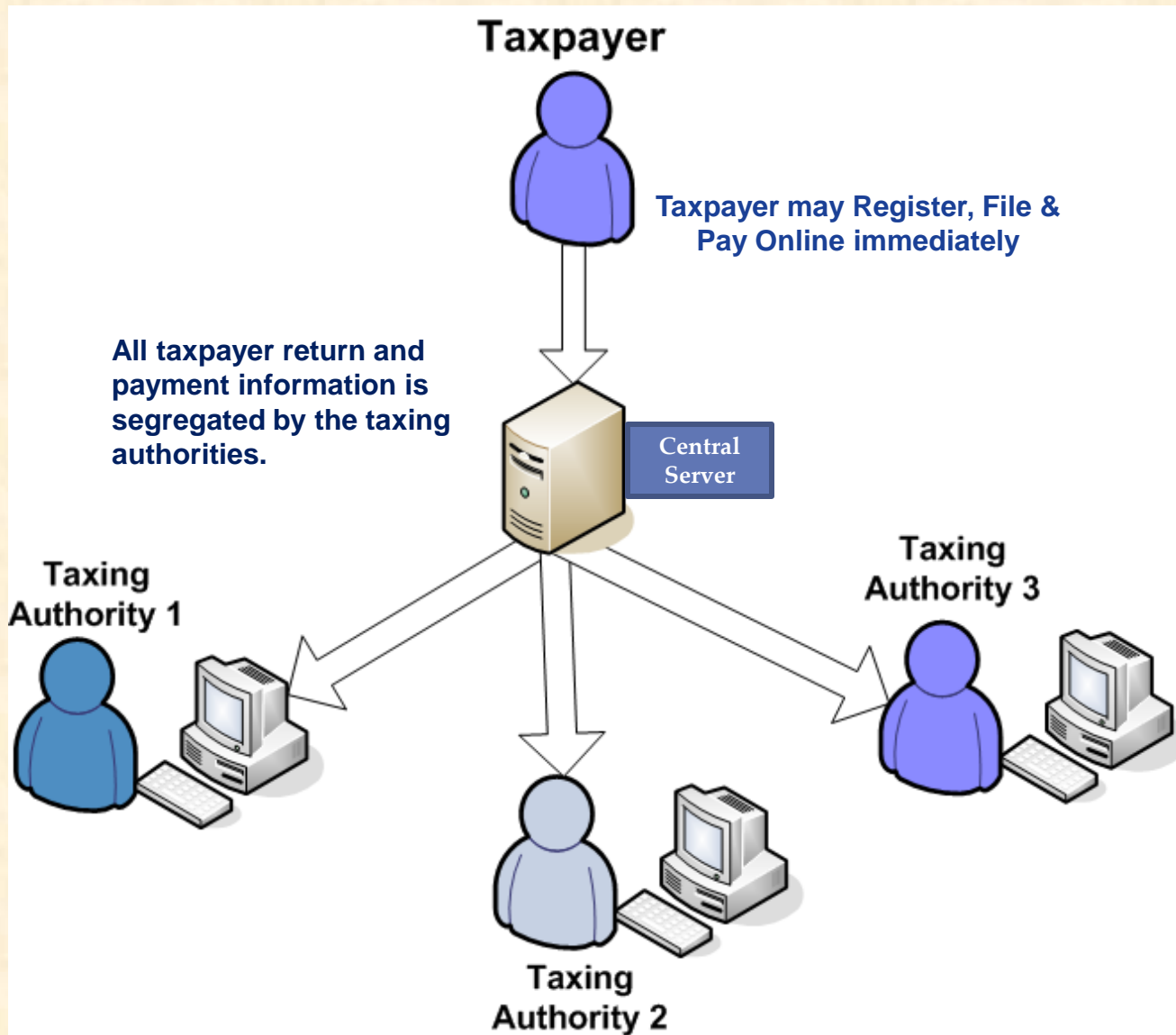
2) Method of Payment

- ACH Debits (collector draws from t/p bank)
- ACH Credits (taxpayer direct deposits)

3) Administrator's Back Office

- Downloading Returns/Reports
- Processing NACHA Payments

e-File & Pay Portal



Multi-Jurisdiction Return (Rhonda's Cookie Shop)

Filing Period: October 2015

File Date:

** Return will not be filed and payment will not be processed until the FILE DATE specified above. **

Please do not use the Back button on your web browser.
Please only use the buttons at the bottom of the page to move through the filing process.

Column	Jurisdiction Name	Rate	Return Name
<input type="checkbox"/>	Acadia Parish		
<input type="checkbox"/>	A City of Crowley Police Jury Sheriff Dept.	5.500 %	Acadia Parish
<input type="checkbox"/>	B Church Point School Board Police Jury Sheriff Dept.	5.250 %	Acadia Parish
<input type="checkbox"/>	C Town of Iota School Board Police Jury Sheriff Dept.	5.250 %	Acadia Parish
<input type="checkbox"/>	D Estherwood School Board Police Jury Sheriff Dept.	4.250 %	Acadia Parish
<input type="checkbox"/>	E Mermentau School Board Police Jury Sheriff Dept.	4.250 %	Acadia Parish
<input type="checkbox"/>	F City of Rayne School Board Police Jury Sheriff Dept.	5.000 %	Acadia Parish
<input type="checkbox"/>	G Village of Morse School Board Police Jury Sheriff Dept.	4.250 %	Acadia Parish

ADD

Ascension Parish

Due Date: 11/20/2015

LA Dept of Revenue Sales and Use Tax

Due Date: 11/20/2015

West Baton Rouge Parish

Due Date: 11/20/2015

1. Gross sales of tangible personal property, leases, and services	0.00
2. Sales for resale or further processing (Resale certificate on file)	0.00
3. Cash discounts, sales returns & allowances	0.00
4. Sales delivered or shipped outside this jurisdiction (does not apply to repairs)	0.00
5. Sales of gasoline and motor fuels	0.00
6. Sales to the U.S. government, the state of Louisiana, its political subdivisions and agencies	0.00
7. Sales of food paid for with USDA food stamps or WIC vouchers	0.00
OTHER DEDUCTIONS AUTHORIZED BY LAW (EXPLAIN BRIEFLY)	
8. Explain:	0.00
9. Explain:	0.00
10. Explain:	0.00

Column Name	Rate	13:	14: Use Tax Purchases	16a: Sales of Food & Drugs	17: Excess Tax Collected	24: Tax Debit or Credit
A Parish of W.B.R.	5.000 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B Riverview EDD	5.500 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Additional Return Information

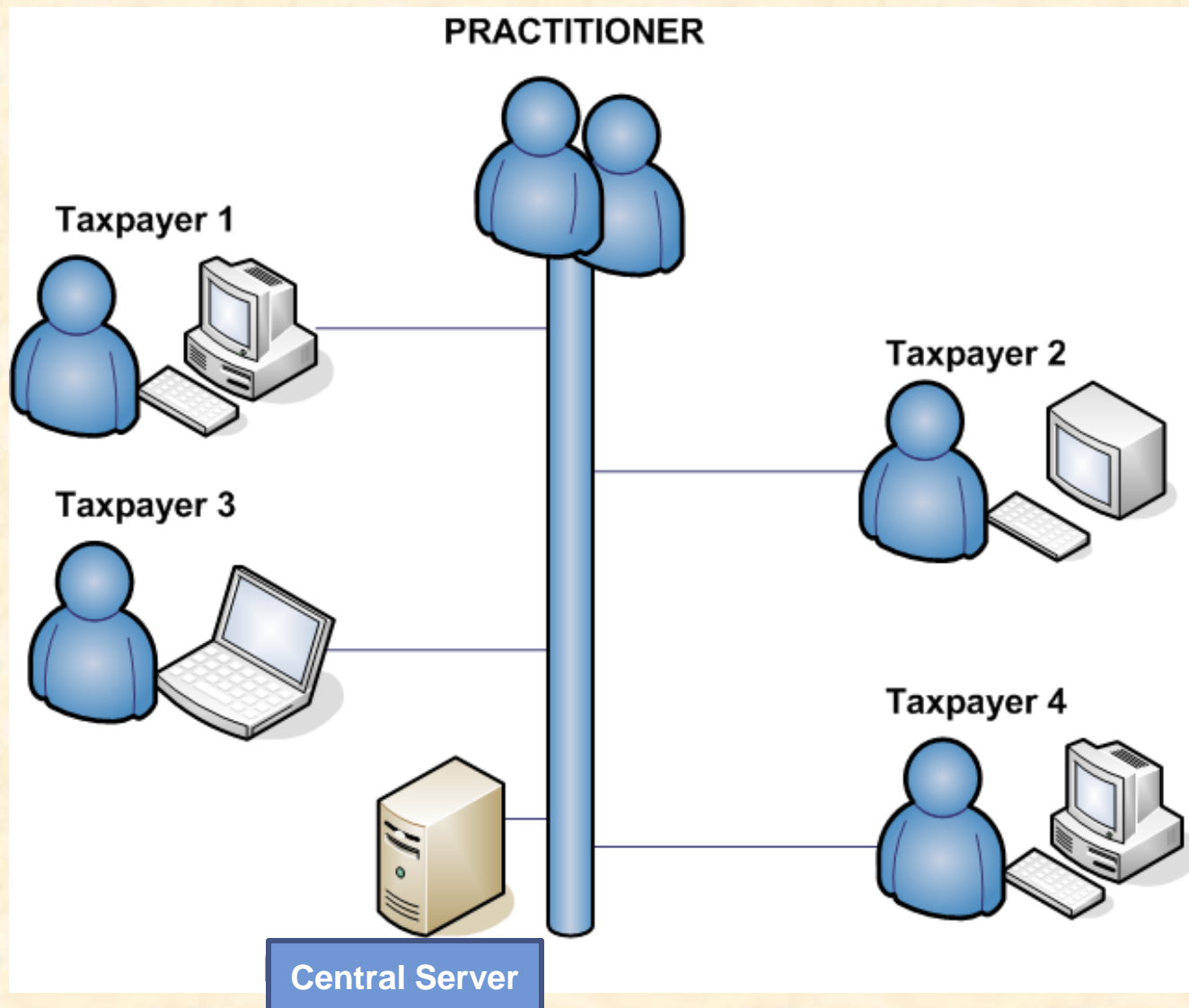
Debit/Credit Memo ID:

Memo Issue Date:

Additional Features

- **Account Tax Id Registration**
- **Amended Returns**
- **ACH Credit Payments**
- **Data Import**
- **Practitioner Accounts**

Practitioner Account



Benefits of E-Filing

Taxpayer:

- Reduce the average time to file
- No cost to the taxpayer for filing
- Increase accuracy of tax rates/returns
- Eliminate calculation errors
- Overall convenience 24/7/365

Taxing Authorities:

- Reduce labor costs
- Increase personnel productivity
- Higher availability and accuracy
- Increase out-of-state compliance
- Quicker processing of payments

The Future - Remote Seller System

- Taxability Matrix
- Address Validation (by GeoCode)
- Build Single Return & Remittance System
- Create Single Administration for Remote Sellers

Recent Events to Collect from Remote Sellers

- Louisiana Legislature made several attempts to redefine Dealers (2011, 2015)
- US Congress (MFA)
- US Supreme Court (Direct Marketing Ass'n v. Brohl)

Justice Kennedy, concurring opinion: "A case questionable even when decided, Quill now harms States to a degree far greater than could have been anticipated earlier."

"It should be left in place only if a powerful showing can be made that its rationale is still correct."

Thank you!

