

Sales Tax Streamlining and Modernization Commission

Minutes of Meeting
2016 Interim Session
Tuesday, December 13, 2016

I. CALL TO ORDER

Representative Julie Stokes, chairman of the Sales Tax Streamlining and Modernization Commission, called the meeting to order at 10:30 a.m. in Room 5, in the state capitol in Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT:

Representative Julie Stokes, chairman
Mr. Don Allison
Mr. Roger Bergeron
Mr. Tom Cole
Ms. Jessica Elliott
Mr. Will Green
Ms. Paula Jeansonne
Mr. Brandon Lagarde
Mr. Jim Patterson
Mr. Steven Procopio
Secretary Kimberly Robinson
Ms. Natalie Robottom
Ms. Dawn Starns
Ms. Jeanine Theriot
Senator Rick Ward
Mr. Mark West

MEMBERS ABSENT:

Mr. Scott Drenkard
Mr. Dannie Garrett
Representative Jim Morris
Senator Gary Smith

STAFF MEMBERS PRESENT:

Linda Hopkins, Secretary
Elise Read, Senior Legislative Analyst
Tina Vanichchagorn, Attorney

ADDITIONAL ATTENDEES PRESENT:

Danny Leming, House Sergeant at Arms

III. DISCUSSION

Representative Stokes opened with *Item #66, "Miscellaneous Telecommunications Services"*. Representative Stokes discussed instead of applying telecommunications tax, to apply the regular tax rate, including ancillary, and bar it from being taxed from the federal government. Representative Stokes offered a motion to apply sales tax rates to all ancillary services on a telephone bill instead of the telecommunications rate. Without objection, the motion passed by a vote of 13 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Ms. Jeansonne, Mr. Patterson, Mr. Procopio, Mr. Richard, Ms. Robottom, Ms. Starns, Ms. Theriot, and Mr. West voted yea. (See Exhibits A, B, and C)

Representative Stokes moved to agricultural and medical devices. Ms. Stokes offered a motion to defer *Item #128, "Purchases of Supplies, Fuels, and Repair Services for Boats Used by Commercial Fishermen"*; *Item #129, "Certain Seafood-Processing Facilities"*; *Item #130, "First \$50,000 of the Sales Price of Certain Farm Equipment"*; *Item #92, "Livestock and Racehorses"*; *Item #94, "Materials Used in the Production or Harvesting of Crawfish"*; *Item #95, "Materials Used in the Production or Harvesting of Catfish"*; *Item #157 (not on spreadsheet)*; *Item #93 (not on spreadsheet)*; *Item #192.2*; *Item #192.3*; *Item #192.4, Item #192.5 (none on spreadsheet) extended to local government after more detail is available. (Item #192 is retracted, and will be handled when discussing constitutional items.)* Without objection, the motion passed by a vote of 13 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Ms. Jeansonne, Mr. Patterson, Mr. Procopio, Mr. Richard, Ms. Robottom, Ms. Starns, Ms. Theriot, and Mr. West voted yea. (See Exhibits D and E)

Representative Stokes moved to *Item #124, "Cable Television Installation and Repair Services (also includes the service itself)*.

Representative Stokes offered a motion to retain the exemption for cable providers and to not contemplate taxation with satellite providers. Without objection, the motion passed by a vote of 13 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Cole, Ms. Elliott, Mr. Green, Mr. Lagarde, Mr. Patterson, Mr. Procopio, Mr. Richard, Ms. Starns, Ms. Theriot, Senator Ward, and Mr. West voted yea. (See Exhibit F)

Present to speak for information was Cheryl McCormack, Louisiana Cable Television Association (LCTA), 763 North Street, Baton Rouge, LA 70802, (225) 387-05960.

Representative Stokes moved to various services from various work groups, *Item #6, "Installation of Board Roads to Oil-Field Operators"*. Ms. Stokes offered a motion to defer until the next meeting (January 9, 2017). Without objection, the motion passed by a vote of 13 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Mr. Green, Mr. Lagarde, Mr. Patterson, Mr. Procopio, Mr. Richard, Ms. Starns, Senator Ward, and Mr. West voted yea.

Representative Stokes moved to *Item #5, "Installation Charges on Tangible Personal Property"*. Representative Stokes offered a motion to retain Item #5. Without objection, the motion passed by a vote of 13 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Mr. Green, Mr. Lagarde, Mr. Patterson, Mr. Procopio, Mr. Richard, Ms. Starns, Senator Ward, and Mr. West voted yea.

Representative Stokes moved to Exhibit G, "Consideration of Services Taxable in Texas". After considerable discussion, Ms. Stokes moved to defer *Item #4, "Insurance Services"; Item #5, "Utility Transmission and Distribution"; Item #6, "Debt Collection"; Item #9, "Taxable Labor: Photographers, Draftsmen, Artists, Etc.,"; Item #10, "Tax Reporting and Collection"; Item #11, "Non-Residential Real Property Repair, Restoration and Remodeling"; Item #19, "Real Property Services: Pest Control, Janitorial, Landscaping, and Lawn Maintenance"; Item #13, "Cable"; Item #14, "Satellite"; and Items #20 (a through f) "Data Processing": a) "Data Processing - Word Processing and Data Entry"; b) "Data Processing - Production, Compilation, Storage or Manipulation of Data"; c) "Data Processing - Check Preparation"; d) "Data Processing - Accounts Payable or Receivable Preparation {exclusions apply}"; e) "Data Processing - Web Hosting"; f) "Data Processing - Website Creation and Maintenance"* for consideration at the January 9, 2017 meeting. Without objection, the motion passed by a vote of 13 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Mr. Green, Mr. Lagarde, Mr. Patterson, Mr. Procopio, Mr. Richard, Ms. Starns, Senator Ward, and Mr. West voted yea. (See Exhibit G)

Continuing with Exhibit G, Representative Stokes offered a motion to attach sales tax to *services of pet grooming; Item #15, "Video and Audio Streaming Services"; Item #16, "Digital Goods"; Item #17, "Credit Reporting"; Item #18, "Security Services, Including Locksmith, Private Investigation, Burglar Alarm, and Armored Car"; "Physical Storage at the Storage Location"; "Electronic Storage at the User Location"; Item #20 h) "Data Processing - Conversion of Data Between Different Types of Media"; Item #20 i) "Data Processing - Software as a Service {Exclusions Apply}; Item #20 j) "Data Processing - Software Application Providers {Exclusions Apply}; and Item #21, "Information Services: Item #21 a) "Information Services - Subscriptions to Genealogical, Financial, or Similar Databases"; Item #21 b) "Information Services - Including Newsletters and Financial Market Reports"; and Item #21 c) "Information Services - Data Retrieval and/or Research Such as Stock Reports or Quotes and Court Cases"; Item #21 d) "Information Services - News Clipping Services, Wire Reports"; Item #21 e) "Information Services - Multiple Listing Services"; Item #21 f)*

"Information Services - Mailing Lists"; Item #21 g) "Information Services - GPS System Services Including Driving Directions"; and Item #21 h) Information Services - Sports, News, and Similar Info Provided Through Satellite Audio Programming Services {Exclusions Apply}. Without objection, the motion passed by a vote of 15 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Ms. Jeansonne, Mr. Lagarde, Mr. Patterson, Mr. Procopio, Mr. Richard, Ms. Robottom, Ms. Starns, Ms. Theriot, Senator Ward, and Mr. West voted yea.

Secretary Robinson took the chair.

Secretary Robinson moved to *Item #68, "Certain Geophysical Survey Information and Data Analyses"; and Item #69, "Work Products of Certain Professionals". Secretary Robinson offered a motion to combine Items #68 and #69. Without objection, the motion passed by a vote of 13 yeas and 0 nays. Secretary Robinson, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Mr. Lagarde, Mr. Patterson, Mr. Procopio, Ms. Robottom, Ms. Starns, Ms. Theriot, Senator Ward, and Mr. West voted yea.*

Ms. Theriot offered a motion to limit the exemption in *Item #69* to those professions that require a degree, certification, and are monitored or regulated. Secretary Robinson offered a substitute motion to eliminate reference to Title 37 and enumerate professions in the statute with a comprised list for the January 9, 2017, meeting. Ms. Theriot withdrew her motion. Without objection, the substitute motion passed by a vote of 13 yeas and 0 nays. Secretary Robinson, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Mr. Lagarde, Mr. Patterson, Mr. Procopio, Ms. Robottom, Ms. Starns, Ms. Theriot, Senator Ward, and Mr. West voted yea.

IV. OTHER BUSINESS

The next meeting will be held on Tuesday, January 10, 2017, and the second meeting in January will be held on the 24th.

V. ADJOURNMENT

Secretary Robinson offered a motion to adjourn. Without objection, the motion passed by a vote of 13 yeas and 0 nays. Secretary Robinson, Mr. Allison, Mr. Bergeron, Mr. Cole, Ms. Elliott, Mr. Lagarde, Mr. Patterson, Mr. Procopio, Ms. Robottom, Ms. Starns, Ms. Theriot, Senator Ward, and Mr. West voted yea.

The meeting was adjourned at 2:15 p.m.

Respectfully submitted,

Chairman Julie Stokes
Sales Tax Streamlining and Modernization Commission