

## **Sales Tax Streamlining and Modernization Commission**

Minutes of Meeting  
2017 Interim Session  
Wednesday, March 15, 2017

### **I. CALL TO ORDER**

Representative Julie Stokes, chairman of the Sales Tax Streamlining and Modernization Commission, called the meeting to order at 9:54 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. Jay Campbell  
Ms. Jessica Elliott  
Mr. Dannie Garrett  
Mr. Will Green  
Ms. Paula Jeansonne  
Mr. Brandon Lagarde  
Rep. Jim Morris  
Mr. Jim Patterson  
Mr. Tom Cole for Mr. Darryl Purpera  
Secretary Kimberly Robinson  
Ms. Natalie Robottom  
Ms. Dawn Starns  
Ms. Jeanine Theriot

#### **MEMBERS ABSENT:**

Mr. Scott Drenkard  
Senator Gary Smith  
Senator Rick Ward  
Mr. Mark West

**STAFF MEMBERS PRESENT:**

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

**ADDITIONAL ATTENDEES PRESENT:**

Mr. Danny Leming, House Sergeant at Arms  
Mr. Joshua Marcelle, Senate Sergeant at Arms

**III. DISCUSSION**

Representative Stokes opened the meeting by stating the commission plans to reconvene for its final session on March 28, 2017.

Ms. Theriot presented the concluding report from the Subcommittee on Coordinated Multi-Parish Audits, Exhibit A, which is included in the committee records.

Representative Stokes moved to consider proposals to establish uniform policies concerning the state and local sales and use tax bases. Ms. Starns, state director, National Federation of Independent Business (NFIB), discussed concerns with the HCR 11 Task Force and their follow through with recommendations. Ms. Starns stated the remainder of the nation has moved to centralized sales tax, and stressed that NFIB represents 4,000 small businesses owners across Louisiana support centralized sales tax. Ms. Starns voiced her dissatisfaction with the ineffectiveness of the commission. She stated the responsibility lies within the legislature to amend the official life of the commission and to reform its work, and change the three-quarters vote required to make a recommendation that is peculiar to state centralized collection. Representative Stokes affirmed this could be discussed during the 2017 Regular Session.

Mr. Patterson offered a motion to recommend that the state move toward consolidated, centralized sales tax collection. Mr. Garrett questioned what the required vote would be in order for a matter to be endorsed by the commission. Mr. Bergeron objected to the motion.

Secretary Robinson explained the new administration's position and what steps have been taken with the Dept. of Revenue's Uniform Tax Collection process system and how it is moving forward.

Representative Stokes offered a substitute motion to extend the life of the commission to June 30, 2018. Without objection, the motion to extend the life of the commission passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr.

Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.

Mr. Patterson offered his previous motion to recommend that the state move toward consolidated, centralized sales tax collection. Mr. Bergeron objected. The secretary called the roll, and the motion failed to pass by a vote of 10 yeas and 6 nays. Representative Stokes, Mr. Allison, Mr. Campbell, Ms. Elliott, Mr. Green, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, and Ms. Starns voted yea. Mr. Bergeron, Mr. Garrett, Mr. Jeansonne, Secretary Robinson, Ms. Robottom, and Ms. Theriot voted nay. A three-quarters vote of the total commission was needed in order to recommend a consolidated, centralized sales tax collection.

Mr. Green asked which decisions require a three-quarters vote and which decisions require a two-thirds vote. Ms. Elise Read, senior legislative analyst, stated the statute specifies that a three-quarters vote of the commission is required to make recommendations, while a two-thirds vote of the commission is required to continue the work of the commission with a sunset date of June 30, 2018.

Representative Stokes moved to the spreadsheet, *Sales Tax Exclusions and Exemptions to be Considered - March 15, 2017*, Exhibit B, which is included in the committee records. Representative Stokes specifically discussed the first three items listed, *Item #55, "Qualifying Events Providing Louisiana Heritage, Culture, Crafts, Arts, Food and Music Sponsored by a Domestic Nonprofit Organization"*, *Item #88, "Sales at Certain Public-Owned Facilities"*, and *Item #87, "Sales at State-Owned Domed Stadiums"*.

Representative Stokes discussed the Commission's previous vote on Item #55, Item #88, and Item #87, during the November 17, 2016, meeting. After further research, Representative Stokes indicated that a vote of the people would be needed to lift the exemption to grant a zero percent rate, Exhibit C, which is included in the committee records. Ms. Read explained Section 467 and Section 468 of the state's statute.

Representative Stokes offered a motion to treat *Item #55, "Qualifying Events Providing Louisiana Heritage, Culture, Crafts, Arts, Food and Music Sponsored by a Domestic Nonprofit Organization"*, *Item #88, "Sales at Certain Public-Owned Facilities"*, and *Item #87, "Sales at State-Owned Domed Stadiums"* as a sales tax and to offer it at the second rate allowable under the streamlining agreement. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.

Representative Stokes moved to the next subset of items, business machinery and equipment, *Item #11, "Purchases of Manufacturing Machinery and Equipment"*, *Item #77, "Purchases by Motor Vehicle Manufacturers"*, *Item #78, "Purchases by Glass Manufacturers"*, *Item #80, "Purchases of*

*Machinery and Equipment by Certain Utilities", and Item #23, "Property Used in the Manufacture, Production, or Extraction of Unblended Diesel".*

Representative Stokes offered a motion to repeal *Item #77, "Purchases by Motor Vehicle Manufacturers" and Item #78, "Purchases by Glass Manufacturers"* as it appears those items would already be covered under *Item #11, "Purchases of Manufacturing Machinery and Equipment"*. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.

Representative Stokes offered a motion to retain the exemptions *Item #11, "Purchases of Manufacturing Machinery and Equipment", Item #80, "Purchases of Machinery and Equipment by Certain Utilities", and Item #23, "Property Used in the Manufacture, Production, or Extraction of Unblended Diesel"* as refunds. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.

Representative Stokes moved to *Item #99, "Sale of Water - Nonresidential", Item #100, "Sales of Electric Power or Energy - Nonresidential", Item #102, "Sales of Natural Gas - Nonresidential", and Item #98, "Sales of Steam - Nonresidential"*. After discussion of the HCR 11 Task Force, Secretary Robinson provided additional information to which Representative Stokes offered a motion to repeal *Item #42, "Pelletized Paper Waste Used in a Permitted Boiler"*, in favor of *Item #103, "Materials and Energy Sources Used for Boiler Fuel"*. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.

Representative Stokes offered a motion to retain *Item #103, "Materials and Energy Sources Used for Boiler Fuel"*. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.

Representative Stokes moved to *Item #150, "Utilities Used by Steelworks and Blast Furnaces", Item #13, "Purchases of Electric Power and Natural Gas by Paper or Wood Products Manufacturing Facilities", Item #32, "Natural Gas Used in the Production of Iron", and Item #33, "Electricity for Chlor-Alkali Manufacturing Process"*.

Representative Stokes offered a motion to repeal *Item #150, "Utilities Used by Steelworks and Blast*

*Furnaces*", and Item #13, "Purchases of Electric Power and Natural Gas by Paper or Wood Products Manufacturing Facilities" in favor of Item #98, "Sales of Steam - Nonresidential", Item #99, "Sale of Water - Nonresidential", Item #100, "Sales of Electric Power or Energy - Nonresidential", and Item #102, "Sales of Natural Gas - Nonresidential". Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.

Representative Stokes moved to Item #32, "Natural Gas Used in the Production of Iron", and Item #33, "Electricity for Chlor-Alkali Manufacturing Process". Representative Stokes offered a motion to retain the exemptions for Item #32 and Item #33. After further discussion, Ms. Stokes withdrew the motion.

Representative Stokes moved to Item #62, "Repair Services Performed in Louisiana when the Repaired Property is Exported". Mr. Roger Bergeron requested that this item be revisited that when the original vote was taken on October 4, 2016. Subsequently, on January 9, 2017, a request for reconsideration of the vote was made, and the motion failed to pass. Mr. Bergeron received information from several parishes that this could indicate to be a high-dollar item for parishes close to the border of Louisiana and Mississippi. Mr. Bergeron stated the impact of this vote required further study and requested a re-vote on Item #62.

Mr. Bergeron offered a motion to allow a re-vote on Item #62, "Repair Services Performed in Louisiana When the Repaired Property is Exported", to which Mr. Allison objected. The secretary called the roll, and the motion failed to pass by a vote of 5 yeas and 9 nays. Mr. Bergeron, Mr. Garrett, Ms. Jeansonne, Secretary Robinson, and Ms. Theriot voted yea. Mr. Allison, Mr. Campbell, Ms. Elliott, Mr. Green, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, and Ms. Starns voted nay.

Representative Stokes moved to Item #153, "Sales of Original One-of-a-Kind Works of Art Sold in Certain Locations". Ms. Theriot requested that this item be revisited. Ms. Theriot stated the item is for the districts concerned with allocating their resources; not for the entire state of Louisiana. Ms. Theriot offered a motion to allow a re-vote on Item #153, "Sales of Original One-of-a-Kind Works of Art Sold in Certain Locations" to which Ms. Starns objected. The secretary called the roll, and the motion failed to pass by a vote of 6 yeas and 8 nays. Mr. Bergeron, Mr. Garrett, Ms. Jeansonne, Secretary Robinson, Ms. Robottom, and Ms. Theriot voted yea; Mr. Allison, Mr. Campbell, Ms. Elliott, Mr. Green, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, and Ms. Starns voted nay.

Representative Stokes moved to Item #79, "Purchases of Machinery and Equipment by Owners of Certain Radio Stations" and offered a motion to retain our previous treatment of the exemption, but

to also extend it to local governments. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Mr. Starns, and Ms. Theriot voted yea.

Representative Stokes moved to *Item #12, "Purchases of Certain Machinery and Equipment Used to Produce a News Publication"*. Ms. Stokes stated that during the November 17, 2016 meeting, we retained it and changed it to become part of the consolidated new mass media exemption for the state. We had listed it as the treatment as pending of the locals' representatives base difference, but now we will recommend to not extend these to the locals but suggest that the exemption refer to the MM&E section for treatment as a refund.

Ms. Stokes offered a motion to reconsider the vote of *Item #12, "Purchases of Certain Machinery and Equipment Used to Produce a News Publication"*, on November 17, 2016. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Mr. Starns, and Ms. Theriot voted yea.

Representative Stokes offered a motion to treat *Item #12, "Purchases of Certain Machinery and Equipment Used to Produce a News Publication"* as an exemption and refer it to the MM&E section as a refund. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Mr. Starns, and Ms. Theriot voted yea.

Representative Stokes moved to *Item #9, "Purchases of Consumables by Paper and Wood Manufacturers and Loggers"*. Ms. Stokes stated that a vote was taken to retain *Item #9* on November 17, 2016.

Representative Stokes offered a motion to reconsider the vote on *Item #9, "Purchases of Consumables by Paper and Wood Manufacturers and Loggers"* from November 17, 2016. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Mr. Starns, and Ms. Theriot voted yea.

Mr. Adam Haddox, executive director, Louisiana Pulp & Paper Association, spoke in support of *Item #9, "Purchases of Consumables by Paper and Wood Manufacturers and Loggers"*.

Representative Stokes offered a motion to recommend to retain *Item #9, "Purchases of Consumables*

by *Paper and Wood Manufacturers and Loggers*" as a refund. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Mr. Starns, and Ms. Theriot voted yea.

Representative Stokes moved to *Item #68, "Certain Geophysical Survey Information and Data Analyses"*, *Item #69, "Work Products of Certain Professionals"*, and *Item #6, "Installation of Board Roads to Oil-Field Operators"*. Ms. Stokes notified the commission members that these have been consistently deferred, and to the question of some services that are outside of the services that we have already offered and adopted motions related to taxation, are mostly digital services.

Representative Stokes offered a motion to defer other business services or other services to the HCR 11 Task Force and to not handle those services inside of this commission. Without objection, the motion to defer *Item #68, "Certain Geophysical Survey Information and Data Analyses"*, *Item #69, "Work Products of Certain Professionals"*, and *Item #6, "Installation of Board Roads to Oil-Field Operators"*. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Mr. Starns, and Ms. Theriot voted yea.

Representative Stokes moved to *Item #175, "Vendor's Compensation"*, Exhibit C, which is included in the committee records, which lists vendor's comp rates from all parishes. Representative Stokes explained that in order to be streamlined, all taxing jurisdictions would be to adopt the same vendor's comp platform as the statute indicates. The recommendation would be for the parishes to reflect the state's vendor's comp statutes currently in place.

After further discussion, Ms. Elliott offered a motion on *Item #175, "Vendor's Compensation"* to maintain the current rate of 0.935 at the local level and no cap; or, change the rate to 1.5 and cap it. Representative Stokes offered a substitute motion to defer *Item #175, "Vendor's Compensation"* until the conclusion of the 2017 Regular Session. Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.

***The meeting recessed at 12:08 p.m. and reconvened at 12:46 p.m.***

Representative Stokes offered a motion to defer the remainder of the items on the Agenda: *Item #66, "Miscellaneous Telecommunication Services"*; *Item #32, "Natural Gas Used in the Production of Iron"*; *Item #33, "Electricity for Chlor-Alkali Manufacturing Process"*; *Item #92, "Livestock and Racehorses"*; *Item #158, "Sale of Polyroll Tubing"*; *Item #128, "Purchases of Supplies, Fuels, and Repair Services for Boats Used by Commercial Fisherman"*; *Item #129, "Certain Seafood-*

*Processing Facilities"; Item #95, "Materials Used in the Production or Harvesting of Catfish"; Item #94, "Materials Used in the Production or Harvesting of Crawfish"; Item #192.2, "Orthotic Devices, Including Prescription Eyeglasses and Contact Lenses, Wheelchairs and Lifts, and Prosthetic Devices as Prescribed by a Physician, Optometrist, or Licensed Chiropractor for Personal Use"; Item #192.3, "Sales of Ostomy, Colostomy, and Ileostomy Devices and Equipment"; Item #192.4, "Sales of Patient Aids Prescribed by a Physician or Chiropractor"; Item #192.5, "Sales of Medical Devices Used Exclusively by the Patient in the Medical Treatment of Various Diseases or Administered Exclusively to the Patient by a Physician, Nurse, or Other Health Care Provider or Facility, in the Treatment of Diseases Under the Supervision of and Prescribed by a Physician"; Item #135, "Sales of Certain Fuels Used for Farm Purposes"; Item #159, "Purchase, Lease or Repair of Certain Capital Equipment and Computer Software of Qualifying Radiation Therapy Treatment Centers"; Item #57, "First \$50,000 of New Farm Equipment Used in Poultry Production", and Item #130, "First \$50,000 of the Sales Price of Certain Rubber Tire and Irrigation Farm Equipment". Without objection, the motion passed by a vote of 16 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Mr. Campbell, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.*

#### **IV. OTHER BUSINESS**

There was no other business.

#### **V. ADJOURNMENT**

Ms. Theriot offered a motion to adjourn. Without objection, the motion passed by a vote of 15 yeas and 0 nays. Representative Stokes, Mr. Allison, Mr. Bergeron, Ms. Elliott, Mr. Garrett, Mr. Green, Ms. Jeansonne, Mr. LaGarde, Representative Jim Morris, Mr. Patterson, Mr. Cole, Secretary Robinson, Ms. Robottom, Ms. Starns, and Ms. Theriot voted yea.

The meeting was adjourned at 1:28 p.m.

Respectfully submitted,

Chairman Julie Stokes  
Sales Tax Streamlining and Modernization Commission