

Sales Tax Streamlining and Modernization Commission

Minutes of Meeting
2019 Interim
January 8, 2019

I. CALL TO ORDER

Representative Julie Stokes, chairman of the Joint Committee on Sales Tax Streamlining and Modernization Commission, called the meeting to order at 10:16 a.m. in Room 6, in the state capitol in Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT:

Representative Julie Stokes, chair
Mr. Roger Bergeron
Mr. Jay Campbell
Ms. Melanie David
Representative Paula Davis, vice chair
Mr. Jason DeCuir
Mr. Gary Dressler
Ms. Jessica Elliott
Mr. Dannie Garrett
Mr. Luke Morris
Mr. Thomas Cole for Mr. Darryl Purpera
Ms. Dawn Starns
Ms. Jeanine Theriot
Mr. Mark West

MEMBERS ABSENT:

Mr. Don Allison
Mr. Will Green
Mr. Joseph Henschman
Ms. Amber Hymel
Senator Gary L. Smith
Senator Rick Ward

STAFF MEMBERS PRESENT:

Alison Pryor, attorney
Catherine Zeringue, attorney
Trinicia Bryant, secretary

ADDITIONAL ATTENDEES PRESENT:

Danny Leming, House sergeant at arms
Fate Mitchell, Senate sergeant at arms

III. DISCUSSION**Update on the status of the work of the Louisiana Sales and Use Tax Commission for Remote Sellers**

Mr. Luke Morris, Assistant Secretary, La. Dept. of Revenue (LDR), 617 North Third Street, Baton Rouge, LA 70802, (225) 219-4059, presented "*Update on the Louisiana Sales and Use Tax Commission for Remote Sellers*", Exhibit A, which is included in the committee records. Mr. Morris shared the presentation information provided was taken from the La. Dept. of Revenue's Remote Sellers Information Bulletin, No. 18-002, dated November 8, 2018.

Mr. Morris discussed examples of remote sellers, registration, reporting requirements, and marketplace facilitators.

Chairman Stokes and Mr. Morris discussed Act No. 5 of the 2018 Second Extraordinary Session and the measures currently in place that encourage voluntary compliance.

Mr. Dannie Garrett, III, Louisiana School Boards Association, 635 Main Street, #3, Baton Rouge, LA 70801, and Mr. Morris discussed the Remote Sellers Commission and recently adopted rules, as well as the constitutional provision that provides each local collector with the authority to collect. Mr. Morris stated the constitution allows for the creation of a central collector which would be in compliance with the requirements outlined in the *Wayfair* case.

Mr. Jay Campbell, Public Affairs Research Council of Louisiana, 4664 Jamestown Avenue, Suite 300, Baton Rouge, LA 70808, and Mr. Morris discussed if the Sales Tax Streamlining and Modernization Commission (STSMC) could make a recommendation to the legislature for centralized sales tax collection and standardized exemptions and exclusions. Mr. Morris shared that Act No. 274 of the 2017 Regular Session created a centralized collector specifically for remote sellers remitting sales tax to the state of Louisiana.

Mr. Jason DeCuir, Louisiana Association of Business and Industry, Ryan, LLC, 301 Main Street, #1500, Baton Rouge, LA 70801, stated his concerns to bring Louisiana in line with the rest of the nation and referenced the Uniform Local Sales Tax Board and the resulting lawsuit that challenged the board's authority. Mr. DeCuir concluded by stating that the STSMC should be discussing a constitutional amendment to reform Louisiana while providing guidance to taxpayers.

Chairman Stokes and Ms. Starns discussed a constitutional amendment in the upcoming legislative sessions.

Mr. DeCuir and Mr. Morris agreed that the Dept. of Revenue (DOR) is doing everything possible within the confines of the constitution. Mr. DeCuir stated there is always a possibility of a jurisdiction disagreeing with the rate or base and will refer to the constitution.

Update on the status of the work of the Louisiana Uniform Local Sales Tax Board

Mr. Roger Bergeron, Executive Director, La. Uniform Local Sales Tax Board (ULSTB), P.O. Box 404, Port Allen, LA 70767, addressed the commission and stated that the board is in the process of promulgating LAC 72:I.103 regarding the establishment of a multi-parish Voluntary Disclosure Agreement and that a public hearing is set for the rule on January 28, 2019.

Mr. Bergeron further stated that the board will provide informational bulletins and announcements to the public. He concluded by sharing that the board has completed its first annual review, which was found to be in compliance by the Legislative Auditor.

Chairman Stokes, Ms. Starns, and Mr. Bergeron discussed funding requirements, open meeting laws, ULSTB rules, and local compliance challenges.

Mr. DeCuir and Mr. Bergeron reviewed the guidance issued by the Uniform Local Sales Tax Board and how jurisdictions prefer to collect the tax.

Mr. Campbell and Mr. Bergeron considered the need for the Uniform Local Sales Tax Board if centralized collection of sales tax were in place. Mr. Bergeron further stated that some exemptions apply to state taxes and not to local taxes and vice versa. A central collector may not be in a position to properly advise taxpayers.

To consider proposals to establish uniform policies concerning the state and local sales and use tax bases, including consideration of certain sales and use tax exclusions and exemptions and related business

Chairman Stokes discussed the spreadsheet, *"Final Report on the Sales Tax Streamlining and Modernization Commission"*, Exhibit B, which is included in the committee records. Chairman Stokes suggested a rule to eliminate certain exemptions and also referenced Act No. 1 of the 2018

Third Extraordinary Session. Chairman Stokes concluded by asking the commission to review the spreadsheet as well as prior legislation so that the commission may move forward with proposed legislation in the upcoming legislative session.

IV. OTHER BUSINESS

There was no other business.

V. ADJOURNMENT

Ms. Jeanine Theriot offered a motion to adjourn. The motion passed by a vote of 14 yeas and 0 nays. Representative Stokes, Mr. Bergeron, Mr. Campbell, Ms. David, Representative Davis, Mr. DeCuir, Mr. Dressler, Ms. Elliott, Mr. Garrett, Mr. Morris, Mr. Cole, Ms. Theriot, and Mr. West voted yea. The meeting was adjourned at 12:05 p.m.

Respectfully submitted,

Chairman Julie Stokes
Joint Committee on Sales Tax Streamlining and Modernization Commission