

2020 First Extraordinary Session

HOUSE BILL NO. 22

BY REPRESENTATIVE DAVIS

TAX/SALES & USE: Provides for the rate and aggregate amount of compensation authorized for the collection and remittance of state sales and use taxes (Item #30)

1 AN ACT

2 To amend and reenact R.S. 47:306(A)(3)(a), relative to amount of compensation for the
3 collection and remittance of sales and use taxes; to provide for the rate of
4 compensation authorized for the collection and remittance of state sales and use tax;
5 to provide for an aggregate amount of compensation authorized for the collection and
6 remittance of state sales and use tax; to provide for the levies from which the
7 compensation is deducted; to provide for effectiveness; and to provide for related
8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:306(A)(3)(a) is hereby amended and reenacted to read as follows:

11 §306. Returns and payment of tax; penalty for absorption

12 A. General provisions.

13 * * *

14 (3)(a) For the purpose of compensating the dealer in accounting for and
15 remitting the tax levied by this Chapter, each dealer shall be allowed ~~935~~ one and
16 one-half percent of the amount of tax due and accounted for and remitted to the
17 secretary in the form of a deduction in submitting his report and paying the amount
18 due by him, provided the amount of any credit claimed for taxes already paid to a
19 wholesaler shall not be deducted in computing the commission allowed the dealer
20 hereunder. The aggregate state compensation for a dealer who operates one or more

1 business locations within Louisiana shall not exceed ~~one~~ two thousand five hundred
 2 dollars per calendar month. This compensation shall be allowed only if the payment
 3 of the dealer is timely paid and the return is timely filed. Notwithstanding any other
 4 provision of law, the calculation of this deduction shall be based only on the taxes
 5 levied pursuant to R.S. 47:302, 321, 321.1, 331, and R.S. 51:1286. ~~There shall be no~~
 6 ~~compensation for the taxes accounted for and remitted pursuant to R.S. 47:321.1 or~~
 7 ~~any other sales tax levied by the state.~~

* * *

9 Section 2. This Act shall become effective on July 1, 2020 and shall be applicable
 10 to all taxing periods occurring on or after July 1, 2020.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 22 Original 2020 First Extraordinary Session Davis

Abstract: Changes the rate of compensation dealers are authorized to deduct for collection of sales and use taxes, changes the aggregate amount in which they can retain per month and changes the levies from which they can deduct the compensation.

Present law imposes a 4.45% state tax upon the sale, use, consumption, storage, or rental of certain tangible personal property and services.

Present law provides that the dealer shall be allowed to deduct and retain .935% of the total amount of taxes due for the purpose of compensating the dealer for accounting for and remitting the tax.

Proposed law changes the amount dealers may deduct and retain to 1.5% of the total amount of taxes due.

Present law further provides the aggregate state compensation for a dealer shall not exceed \$1,500 per calendar month. Proposed law increases this amount to \$2,500 per calendar month.

Present law provides that the calculation of the compensation shall be based only on the taxes levied pursuant to R.S. 47:302, 321, 331, and R.S. 51:1286. Proposed law adds R.S. 47:321.21 to the list of levies upon which the calculation of compensation is based.

(Amends R.S. 47:306(A)(3)(a))