

2015 Regular Session

SENATE BILL NO. 200

BY SENATOR GALLOT

TAX/SALES. Constitutional amendment to authorize the state to levy and collect an additional state sales tax at the same rate as the state sales tax upon Internet and mail-order sales in lieu of local sales tax, all the proceeds of the tax to be distributed to each political subdivision and to dedicate the proceeds of a state tax on the same sales. (2/3 - CA13s1(A))

A JOINT RESOLUTION

Proposing to add Article VII, Section 2.4 of the Constitution of Louisiana, relative to authorizing and dedicating state sales and use tax of the state; to authorize the state to levy and collect such tax on certain purchases in lieu of any political subdivision sales and use tax and to distribute the proceeds to political subdivisions; to dedicate certain state tax proceeds; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 2.4 of the Constitution of Louisiana, to read as follows:

**§2.4. Power to Tax; In-Lieu State Sales and Use Tax on Internet and mail-order sales; Out-of-State Sales Tax Collection Fund**

**A. Notwithstanding any other provision of this constitution, in order to expedite the collection of the sales tax and use tax of political subdivisions on Internet and mail-order sales:**

**(1) The state may provide by law for the levy and collection of an**

1 additional sales and use tax at the same rate as the state sales and use tax upon  
2 sales of tangible personal property into the state by vendors who engage in the  
3 regular or systematic solicitation of consumers in this state, but who have no  
4 employees, solicitors, agents, inventory, sales locations or other business assets  
5 in the state. Such tax shall be otherwise levied and collected in the same manner  
6 as is provided by law for the levy and collection of the state sales and use tax for  
7 the sole benefit of all local governmental subdivisions, school boards, or other  
8 political subdivisions which are granted the authority to levy taxes pursuant to  
9 Article VI, Section 29 of this constitution or statute. The avails of such tax, less  
10 an administrative fee, shall be distributed to each such local governmental  
11 subdivision, school board, and political subdivision in the manner provided by  
12 law.

13 (2) The transactions taxable pursuant to this Paragraph shall be  
14 excluded from the sales and use tax of any local governmental subdivision,  
15 school board, or other political subdivision.

16 B.(1) The secretary of the Department of Revenue shall provide written  
17 notification to the commissioner of administration and to the chairs of the  
18 Senate Committee on Finance and the House Committee on Appropriations of  
19 the effective date of any federal law which the secretary determines will directly  
20 or indirectly cause or require vendors located out-of-state to collect and remit  
21 Louisiana state sales and use tax on their Internet, mail-order, or other sales  
22 into the state.

23 (2)(a) The estimated amount of state sales and use taxes collected from  
24 vendors located out-of-state on Internet, mail-order, or other sales into the state  
25 because of a federal law shall be deposited upon receipt in the state treasury.

26 (b) After compliance with the requirements of Article VII, Section 9(B)  
27 of the Constitution of Louisiana relative to the Bond Security and Redemption  
28 Fund and prior to any money being placed into the general fund or any other  
29 fund, an amount equal to that deposited as required by Subparagraph (1) of this

1 **Paragraph shall be credited by the treasurer to a special fund hereby created**  
2 **in the state treasury to be known as the Out-of-State Sales Tax Collection Fund.**  
3 **Subject to an annual appropriation by the legislature, monies in the fund shall**  
4 **be allocated and restricted to the following purposes:**

5 **(i) Seventy-five percent shall be used for public institutions of higher**  
6 **education for operational expenses.**

7 **(ii) The remaining twenty-five percent shall be used for the provision of**  
8 **health care services.**

9 **(c)(i) The money in the fund shall be invested by the treasurer in the**  
10 **same manner as money in the state general fund and interest earned on the**  
11 **investment of the money shall be credited to the fund after compliance with the**  
12 **requirements of Article VII, Section 9(B) relative to the Bond Security and**  
13 **Redemption Fund.**

14 **(ii) All unexpended and unencumbered money in the fund at the end of**  
15 **the fiscal year shall remain in the fund.**

16 Section 2. Be it further resolved that it is the intention of this proposed amendment  
17 that the provision of law codified as R.S. 47:302(K) of the Louisiana Revised Statutes of  
18 1950 shall be considered as the law which implements the provisions of this proposed  
19 amendment.

20 Section 3. Be it further resolved that this proposed amendment shall be submitted  
21 to the electors of the state of Louisiana at the statewide election to be held on October 24,  
22 2015.

23 Section 4. Be it further resolved that on the official ballot to be used at said election  
24 there shall be printed a proposition, upon which the electors of the state shall be permitted  
25 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
26 follows:

27 Do you support an amendment to dedicate sales tax collected from Internet  
28 and mail-order sellers to a fund to pay 75% of the fund for the operational  
29 expenses of public institutions of higher education and 25% for providing

1 health care services and to authorize the state to levy and collect an  
 2 additional sales tax at the same rate as the state sales tax upon sales into the  
 3 state by Internet and mail-order vendors who have no contacts with the state,  
 4 such tax to be levied in lieu of any local sales tax and to be distributed to  
 5 each political subdivision in the manner provided by law?  
 6 (Adds Article VII, Section 2.4 )

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Riley Boudreaux.

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SB 200 Original	DIGEST 2015 Regular Session	Gallot
In-Lieu Sales Tax		

Present constitution authorizes "local governmental subdivisions" (defined as parishes and municipalities) and school boards to levy sales and use taxes.

Present constitution authorizes the legislature to grant tax authority to political subdivisions and special districts.

Proposed constitutional amendment authorizes the state to provide by law for the levy and collection of an additional sales and use tax at the same rate as the state sales and use tax upon sales into the state by vendors who engage in the regular or systematic solicitation of consumers in this state, but who have no employees, solicitors, agents, inventory, sales locations or other business assets in the state. The tax is to be levied and collected in the same manner as is provided by law for the levy and collection of the state sales tax. The avails of the tax must be distributed to each political subdivision in the manner provided by law. Such taxable transactions are excluded from the sales tax of political subdivisions.

#### Dedication of Internet and Mail-Order Sales Tax

Proposed constitutional amendment requires the secretary of the Department of Revenue to provide written notification to the commissioner of administration and to the chairs of the Senate Committee on Finance and the House Committee on Appropriations of the following:

- (1) The effective date of any federal law which the secretary determines will directly or indirectly cause or require vendors located out-of-state to collect and remit Louisiana state sales and use tax on their Internet, mail-order, or other sales into the state.
- (2) That he has determined that the provisions of the proposed constitutional amendment expanding the definition of "dealer" (below) has caused a substantial increase in the collections of state sales and use tax on Internet, mail-order, or other sales into the state.

Proposed constitutional amendment creates the Out-of-State Sales Tax Collection Fund in the state treasury to receive the estimated amount of state sales and use taxes collected from vendors located out-of-state on Internet, mail-order, or other sales into the state because of such federal law or because of the provisions of the proposed constitutional amendment expanding the definition of "dealer" (below).

Proposed constitutional amendment provides that the money in the fund shall be

appropriated by the legislature to be allocated and restricted to the following purposes:

- (1) 75% shall be used for public institutions of higher education for operational expenses.
- (2) The remaining 25% shall be used for the provision of health care services.

Proposed constitutional amendment provides that interest earnings on the fund shall be credited to the fund and all unexpended unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

Specifies submission of the amendment to the voters at the statewide election to be held on October 24, 2015.

(Adds Const. Art. VII, Sec. 2.4)