



1           WHEREAS, the state receives poor ratings from state tax policy organizations such  
2 as the Tax Foundation and the Council on State Taxation for its divergent state and local  
3 sales tax bases and separate sales tax administration; and

4           WHEREAS, many members of the business community advise that the lack of a  
5 uniform state and local sales tax base and lack of centralized tax administration impair the  
6 efficiency and cost effectiveness of doing business in the state; and

7           WHEREAS, there exist significant structural issues impacting state and local sales  
8 taxes, that include prior legislative actions that adversely impact the tax base, a shift away  
9 from a goods-based to a services-based economy, and an increasing shift from "brick and  
10 mortar" retail transactions to e-commerce purchases; and

11           WHEREAS, the state has made steady progress in reforming its sales tax system over  
12 the past thirty years with moving to a single sales tax collector for each parish in 1991, the  
13 creation of the Uniform Local Sales Tax Code in 1998, the creation of the local sales tax  
14 division within the Board of Tax Appeals in 2014, the establishment of the Louisiana  
15 Uniform Local Sales Tax Board in 2017, the creation of the Louisiana Sales and Use Tax  
16 Commission for Remote Sellers in 2018, and providing for the collection of remote sales tax  
17 by marketplace facilitators in 2020; and

18           WHEREAS, many of these reforms were developed through the collaborative work  
19 of local taxing authorities and local sales tax collectors; and

20           WHEREAS, the legislature recognizes that it is good public policy to consider  
21 further modernization and simplification of the sales tax structure to reflect the twenty-first  
22 century economy as a way to aid in stabilizing the sales tax as a revenue source for the state  
23 and its local governments; and

24           WHEREAS, it will take cooperative action on the part of the state, local  
25 governments, and the business community to bring about long-term structural improvements  
26 to the tax code and the operations of state government; and

27           WHEREAS, the President of the Senate and the Speaker of the House of  
28 Representatives commissioned the 2015 Louisiana Tax Study to provide the legislature with  
29 alternatives for a tax structure with predictable and stable revenues, that promotes  
30 competitiveness, and is fair and simple; and

1           WHEREAS, the 2015 Louisiana Tax Study made several recommendations regarding  
2 state and local sales tax including the creation of a sales tax commission to make  
3 recommendations for a uniform sales tax collection process, rates, and auditing; and

4           WHEREAS, the legislature created the Louisiana Sales Tax Streamlining and  
5 Modernization Commission in 2015 that made significant progress in working with all  
6 stakeholders to make recommendations to unify the state and local sales tax base; and

7           WHEREAS, the Task Force on Structural Changes in Budget and Tax Policy, created  
8 by House Concurrent Resolution No. 11 of the 2016 First Extraordinary Session,  
9 recommended the streamlining and standardization of the sales tax collection system in  
10 terms of definitions, exemptions, exclusions, and auditing standards for the state and all local  
11 political subdivisions to benefit the state's economy and its competitiveness, and recognized  
12 that the cooperation of state and the local governments is imperative to achieving this goal;  
13 and

14           WHEREAS, the legislature has the responsibility and authority to make and change  
15 the laws of the state and has the goal of ensuring a more stable, fair, and simple sales tax  
16 code and to enact policies that will improve the efficiency and effectiveness of state and  
17 local sales tax administration in order to stabilize the state and local government budgets for  
18 future years.

19           THEREFORE, BE IT RESOLVED that the Louisiana Legislature does hereby create  
20 the Louisiana Sales Tax Simplification Task Force, to perform a comprehensive study of  
21 Louisiana's state and local sales tax systems, and to make recommendations to the legislature  
22 regarding revision of practices, administrative procedure, statutory law, and the Constitution  
23 of Louisiana, all for the purpose of streamlining and modernizing this vital revenue source  
24 for the state and its local governments.

25           BE IT FURTHER RESOLVED that the Louisiana Sales Tax Simplification Task  
26 Force shall be composed of the following members:

27           (1) The president of the Senate, or his designee.

28           (2) The speaker of the House of Representatives, or his designee.

29           (3) The chairman of the Senate Committee on Revenue and Fiscal Affairs, or his  
30 designee.

- 1           (4) The chairman of the House Committee on Ways and Means, or his designee.
- 2           (5) A member appointed by the Police Jury Association of Louisiana.
- 3           (6) A member appointed by the Louisiana Municipal Association.
- 4           (7) A member appointed by the Louisiana School Boards Association.
- 5           (8) A member appointed by the Louisiana Association of Tax Administrators who
- 6 represents a parish with a population of fifty thousand or fewer.
- 7           (9) A member appointed by the Louisiana Sheriffs' Association.
- 8           (10) A member appointed by the Uniform Local Sales Tax Board.
- 9           (11) A member appointed by the Louisiana Association of Business and Industry.
- 10          (12) A member appointed by the Louisiana Retailers Association.
- 11          (13) A member appointed by the National Federation of Independent Business.
- 12          (14) The secretary of the Department of Revenue, or her designee.
- 13          (15) The commissioner of administration, or his designee.

14           BE IT FURTHER RESOLVED that the legislative members of the task force shall

15 serve without compensation except for the per diem to which they are entitled.

16           BE IT FURTHER RESOLVED that meetings of the task force shall be held at the

17 state capitol and be open to the public, pursuant to the provisions of R.S. 42:12 et seq. and

18 the task force shall begin meeting no later than September 15, 2020.

19           BE IT FURTHER RESOLVED that a majority of the task force membership shall

20 constitute a quorum.

21           BE IT FURTHER RESOLVED that the chair of the task force shall be the president

22 of the Senate, or his designee.

23           BE IT FURTHER RESOLVED that the chair shall prepare the schedules and agendas

24 for meetings, and shall coordinate the staff support deemed necessary for the function of the

25 task force.

26           BE IT FURTHER RESOLVED that the task force, for the purposes of conducting

27 its meetings and accomplishing its goals, shall be staffed by staff of the House of

28 Representatives, the Senate, the legislative fiscal office, and the Office of the Legislative

29 Auditor.

30           BE IT FURTHER RESOLVED that the task force may request additional staff

1 support from the Department of Revenue.

2 BE IT FURTHER RESOLVED that members of the task force may participate  
3 remotely by telephone, teleconference, or other electronic means as provided by law as long  
4 a quorum of the task force membership is physically present.

5 BE IT FURTHER RESOLVED that the Louisiana Sales Tax Simplification Task  
6 Force make recommendations to the legislature regarding needed revisions of practices,  
7 administrative procedure, statutory law, and the state constitution that shall encompass an  
8 overall goal of ensuring both revenue stability and taxpayer equity and shall consider:

9 (1) How Louisiana state and local sales tax policies affect the economy of the state,  
10 and how changes in these policies may better position Louisiana for the future in terms of  
11 equity and economic competitiveness.

12 (2) The state and local government sales tax bases and rates and, to the degree  
13 practicable, how those compare with other states with similar demographics and economies.  
14 This shall include examination of the concept of broadening the tax base to allow for lower  
15 rates and a more equitable system, and given the shift of economic activity from  
16 goods-based to services-based consumption, shall specifically include consideration of the  
17 taxation of services as a way to strengthen the base and also to help offset the otherwise  
18 regressive nature of a sales tax structure where few services are taxed.

19 (3) All tax expenditures against sales tax, inclusive of credits, deductions, discounts,  
20 exclusions, exemptions, and rebates. This shall include, to the degree practicable, a  
21 comparison to that of other states with similar populations and economies and including  
22 measures to ensure the efficiency and effectiveness of all tax expenditures.

23 (4) State and local government sales tax collection, distribution, audit, adjudication,  
24 and administrative procedures.

25 (5) The impact that changes to state and local sales tax administration may have on  
26 local government cash flow and information system requirements.

27 (6) A comparison to other states that are considered at a national level to have an  
28 efficient, contemporary administrative and procedural structure, with a focus on states that  
29 have a similar reliance on sales tax collections to fund state and local government services  
30 to the extent relied upon in Louisiana.

1           BE IT FURTHER RESOLVED that the task force shall submit its interim report to  
2 the president of the Senate and the speaker of the House of Representatives no later than  
3 March 1, 2021, and its final report no later than February 1, 2022.

4           BE IT FURTHER RESOLVED that the final report shall contain a specific plan for  
5 long-term state and local sales tax policy changes that may be used to introduce legislation  
6 no later than the 2022 Regular Session of the Legislature.

7           BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
8 secretary of Department of Revenue, the commissioner of administration, and to other  
9 entities who are to appoint members to the task force.

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

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DIGEST

SCR Original

2020 First Extraordinary Session

Cathey

Creates the Louisiana Sales Tax Simplification Task Force to make recommendations for changes to the state's state and local sales tax laws in an effort to modernize and simplify the sales tax code and enhance the efficiency of the state's sales tax policies for taxing authorities, tax collectors, and businesses, and to submit its final report to the legislature by February 1, 2022.