

Sales/Use/Indirect:

Louisiana Voters Reject Amendment that Would Have Created Centralized Tax Collection System

State Constitution Amendment No. 1, voters rejected 11/13/21; H.B. 199, approved by House and Senate and enacted 6/14/21. At its recent statewide election, a majority of Louisiana voters responded negatively to the following state constitutional amendment question:

URL: <https://voterportal.sos.la.gov/graphical>

URL: <https://legis.la.gov/legis/BillInfo.aspx?s=21RS&b=HB199&sbi=y>

“Do you support an amendment to authorize the legislature to provide for the streamlined electronic filing, electronic remittance, and the collection of sales and use taxes levied within the state by the State and Local Streamlined Sales and Use Tax Commission and to provide for the funding, duties, and responsibilities of the commission?”

Had the state constitutional amendment been approved by Louisiana voters, pursuant to companion implementing legislation, the “State and Local Streamlined Sales and Use Tax Commission” (Commission) would have been created to absorb the responsibilities of the current Louisiana Sales and Use Tax Commission for Remote Sellers and the Louisiana Uniform Local Sales Tax Board. Among other duties, the Commission would have served as the central audit authority for taxpayers without a physical presence in Louisiana. The Commission would have implemented and overseen collection and administration of all Louisiana state and local sales and use taxes, as well as been tasked with developing streamlined audit rules for taxpayers with a physical presence in Louisiana.

Since rejection of this state constitutional amendment by Louisiana voters at the statewide election, legal challenges have been filed claiming that Louisiana’s sales tax structure imposes an unconstitutional burden on some businesses in violation of the Commerce and Due Process Clauses. Please contact us with any questions.

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