

**Remote Sellers Information Bulletin No. 20-002
May 7, 2020**

**Effective Date for Remote Seller Registration and
Collection of State and Local Sales and Use Tax at Actual Rates**

The purpose of this bulletin is to announce the date remote sellers are required to register with the Louisiana Sales and Use Tax Commission for Remote Sellers (“Commission”) as required by LA R.S. 47:340(G)(6)(b)¹ and to provide related information.

Public Notice Statement

Pursuant to the authority of Chapter 2-E of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as amended, public notice is hereby given that remote sellers are required to register with the Commission effective July 1, 2020. No later than 30 calendar days after meeting the economic nexus thresholds of LA R.S. 47:301(4)(m)(i), remote sellers shall submit an application to the Commission for approval to collect state and local sales and use tax on remote sales for delivery into Louisiana. Remote sellers shall commence collection of state and local sales and use tax at actual rates and bases, once notified the Commission has approved the application, no later than 60 days after surpassing either of the criteria of LA R.S. 47:301(4)(m)(i).

As provided by LAC 61.III.1537 and 1538, the applications, tax returns, and remittances must be filed and paid electronically to the Commission.

Economic Nexus Thresholds

Louisiana’s economic nexus thresholds are established based on the following criteria:

1. The person's gross revenue for sales delivered into Louisiana has exceeded one hundred thousand dollars from sales of tangible personal property, products transferred electronically, or services; or
2. The person sold for delivery into Louisiana tangible personal property, products transferred electronically, or services in two hundred or more separate transactions.

¹ As required by statute, this bulletin is published in accordance with LAC 61:III.101 and LAC 61:III.2903.

Existing Direct Marketers

As provided by LA R.S. 47:302(W), direct marketers were allowed, on a voluntary basis, to collect and remit at the statutory 8.45% rate until the Commission enforces registration, collection, and remittance of state and local sales and use tax based on the applicable state and local rates and bases. Later this month, direct marketers will receive correspondence from the Louisiana Department of Revenue (“Department”) and the Commission explaining the streamlined, transition process with step by step details. No action is required until those direct marketers receive this correspondence.

Direct marketers who do not meet the economic nexus thresholds may continue to collect at the 8.45% and remit the tax to the Department. The Department will continue to remit such funds to the state general fund and local governments in accordance with LA R.S. 47:302(K).

Status of Commission as Tax Collector

The Commission will serve as the tax collecting entity for the benefit of state and local taxing jurisdictions. It will serve as the central, single agency to which remote sellers shall make state and local sales and use tax remittances.

The Commission is nearing completion of its software system and related guidance. The system will be functional no later than July 1, 2020, and related guidance will be issued over the next several months to better assist remote sellers in complying with existing Louisiana law.

Pending Legislation

Senate Bill 138 (RS2020) is under consideration by the Louisiana Legislature. If enacted, the bill would define and require marketplace facilitators to collect and remit sales tax at the actual state and local sales and use tax rates and bases to the Commission. Marketplace facilitators should be aware of this proposed legislation and a potential amendment that would change the applicability date to July 1, 2020, which mirrors the date discussed above.

Questions concerning this publication may be directed to
LARemoteSellersCommission@la.gov.

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