

**HCR 11 Task Force – May 6, 2016**

**DRAFT RESOLUTION: Centralized State Sales Tax Collections**

**Proposed by:**

WHEREAS, Louisiana's sales tax collection system is widely panned as the worst in the nation due to high rates as well as complexity in the code, the base, and in administration;

WHEREAS, Louisiana is one of only three states that does not have a centralized statewide sales tax collections system, instead maintaining roughly 60 different tax collectors across the state with varied tax rates and bases even within a single parish;

WHEREAS, this system is unnecessarily complicated and time-consuming for taxpayers, an obstacle to compliance, and inefficient for governmental administration and enforcement;

WHEREAS, local governments are heavily reliant on sales taxes as a source of revenue and are constitutionally authorized to collect sales taxes;

WHEREAS, the federal government may require centralized state sales tax collection as a condition of the Marketplace Fairness Act, whereby online purchases will become subject to the sales tax, and whereby Louisiana could lose this opportunity for substantial state and local revenue if the current system is maintained;

WHEREAS, numerous studies and commissions have recommended Louisiana begin to move toward a more centralized sales tax collections system;

**Accordingly, the Task Force recommends the state create an independent state-local sales tax authority composed of representatives from local tax collection bodies and the state department of revenue. Over three to five years, this jointly run group should create a uniform process of state and local sales tax collections and auditing that will bring Louisiana into compliance with federal legislation to allow for sales tax collection for online purchases.**