

LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

Minutes of October 24, 2018 Meeting

- I. **Call to Order/Roll Call** - The meeting of the Louisiana Sales and Use Tax Commission for Remote Sellers (Commission) was called to order at 1:36 PM by Secretary Robinson of the Louisiana Department of Revenue. A quorum was established with seven of the eight members being in attendance. Darlene Allen (LDR) was absent. Members present were:
 1. Kimberly Robinson (LDR)
 2. Vanessa LaFleur (LDR)
 3. Kelli Jumper (LDR)
 4. Tiffani Delapasse (ULSTB)
 5. Donna Andries (ULSTB)
 6. Amber Hymel (ULSTB)
 7. Jeanine Theriot (ULSTB)

- II. **Approval of Meeting Minutes from September 26, 2018**
 - A motion was made to approve the meeting minutes from the meeting of September 26, 2018 by Ms. Andries and seconded by Ms. Delapasse. All members agreed and the minutes were approved.

- III. **Certified Service Providers**
 - Scott Peterson, Vice President of Avalara, appeared before the Commission to provide an overview on the Certified Software Providers, in general, and Avalara's services. Mr. Peterson explained that Avalara is a software company that has been in operation since 2006 with a transaction driven process. Basically, the retailer's system talks to the Avalara software when a purchase is made to verify the taxability of the item based on a product database, the taxing jurisdiction and the tax rate. Avalara is currently connected to approximately 650 different software systems for retailers. Avalara's system works in all states, streamlined and non-streamlined, and the company currently files returns with every filing jurisdiction in Louisiana.
 - Ms. Andries asked if rates are incorrect in the Avalara system, who would be responsible? Mr. Peterson answered the vendor would be responsible for correcting the rate and would possibly refund any money that may be due. Avalara has a certification tool to help make sure the rates are correct.
 - Ms. Delapasse asked for clarification on the product database. Mr. Peterson answered that every exemption and the taxability of a product is already in Avalara's system. Avalara will test rates to make sure they are correct. All CSP's are different and don't use the same information relative to product

codes. Ms. Delapasse asked if we could get a list of products to certify rates. Avalara maps products by the UPC label on most items sold. Mr. Peterson is willing to talk more about getting a listing to the Commission to test rates against.

- Ms. Theriot asked about the filing of multiple returns versus filing one return. Mr. Peterson answered there is no limit on the number of lines on a return. Ms. Theriot also inquired about how exemption certificates are handled? Mr. Peterson answered that SSTGB requires that they have this information. The system collects the exemption reason behind the transaction. Avalara will accept the data provided but the exemption is technically between the retailer and their customer.
- Mr. Peterson explained that once the Commission develops a return, Avalara would build that return into their system and test it to make sure the data flows correctly.

IV. Technology Sub-Committee Update

- Ms. Delapasse provided an update on the Sub-Committee's discussions with Craig Johnson, Executive Director of the SSTGB, regarding non-streamlined states being allowed to use the Certified Service Providers and the SSTGB registration process. The Sub-Committee will send a list of inquiries to the CSPs to determine whether certain technologies are supported by the CSPs.

V. Definition of Remote Seller

- The Commission received a proposed definition of remote seller from Andre Burvant and Matthew Mantle of Jones Walker, LLP who were present to discuss the proposal. A handout was provided to the Commission members and will be available on the webpage after the meeting.
- LDR also submitted a proposed definition of remote seller to the Commission for consideration. A handout was provided to members of the proposed language and it will also be available on the webpage after the meeting.

VI. LDR Update on Streamlined Sales and Use Tax Governing Board Meeting

- Ms. Jumper provided an update on the SSTGB meeting. Primary topic of discussion was the implementation of the *Wayfair* decision including how the nexus threshold computation should be made and whether previous activity would be taken into consideration. States were urged to proceed with caution in implementation.

VII. LDR Update on MTC Marketplace Facilitator Workgroup

- Luke Morris of the LDR provided an update from the Multistate Tax Commission (MTC) Marketplace Facilitator Workgroup Discussions. The Commission members were provided a prioritized issues list. The MTC Workgroup has only addressed the common definitions of terms such as

marketplace, marketplace seller, facilitator and thresholds for requiring collection of sales tax thus far. Conflicting and duplicative filing requirements of facilitators and sellers is currently being considered.

VIII. Other Business

- **Commission Action Items**
 - Discussion of Drafts on Remote Seller Definitions Submitted

IX. Public Comment

- Matthew Mantle posed a question relative to the single return to be developed by the Commission and the use of the return by sellers that fall under the definition he submitted for consideration. Secretary Robinson answered that if a retailer does not have physical presence they would file with the Commission. The Legislature created the Commission to be the single collector for remote sales. The Commission will consider both drafts of proposed definitions at the next meeting to hopefully come closer to a definition of remote seller. The Direct Marketers Return will remain in effect for voluntary filing until the Commission's return is approved for use.

X. Adjournment

- Meeting was adjourned at approximately 3:57 PM.