

LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

Minutes of July 8, 2021 Meeting

- I. Call to Order/Roll Call** - The meeting of the Louisiana Sales and Use Tax Commission for Remote Sellers was called to order at 11:06 AM by Chairperson Lagrange. A quorum was established with seven members in attendance. Members present were:

1. Jeffery LaGrange (LULSTB)
2. Danielle Clapinski (LDR)
3. Darlene Allen (LDR)
4. Kelli Jumper (LDR)
5. Shawn McManus (LULSTB)
6. Kressy Krennerich (LULSTB)
7. Amanda Granier (LULSTB)

II. Approval of Meeting Minutes from June 10, 2021

- After review of the minutes, Mr. McManus asked that the minutes be clarified to reflect that the Uniform Board did not build a new building but had only moved into new office location. A motion was made to approve the meeting minutes with that clarification from the meeting of June 10, 2021 by Ms. Allen, and seconded by Ms. Krennerich. Following a vote and a call for public vote, the minutes were approved unanimously by the members present.

III. Update on Direct Marketer/Remote Seller Registrations by LDR

- Ms. Jumper reported that there are currently 3,638 active remote seller registrations with the Commission. Ms. Jumper said that this number continues to grow.
- Ms. Jumper also reported that there are currently 2,098 active direct marketer registrations with the Department.
- Ms. Jumper also provided an update on a project they are undertaking to reconciling open Direct Marketer accounts with those accounts registered with the Commission. If it is determined the Direct Marketer is registered with the Commission, LDR will cease the account. In addition, they are also looking at activity level. If it is determined that the Direct Marketer has met the threshold LDR will send letters notifying the taxpayer that they need to register with the Commission.

IV. Report from Executive Director

A. Distribution Report

- Ms. Roberie provided a report and updated members on collections to date. In June, the Commission collected \$33,927,808.61 for the month of May with

2,433 returns filed. \$33,588,530.06 was distributed to the state and local collectors. Total Commission collections to date are \$300,551,185.67 with \$297,545,672.29 having been distributed to state and local collectors. Ms. Roberie commented that this is the third highest month of collections to date.

B. Budget

- Ms. Roberie went over the budget to actuals for FY 2020-21 and clarified that these are not final numbers (see attachment).
- Ms. Roberie also went over a document that shows what has been billed by LDR, however there are still outstanding FY 2020-21 charges that have not been billed. The Commission has paid all of the invoices submitted by LDR to date.

V. Discussion Items:

A. Penalty Waiver Policy

- Ms. Roberie went over a handout (see attached) that presented background information on Penalty Waiver Requests the Commission has received to date.
- The Commission members discussed the authority the Commission has as the collector to waive penalties. It was suggested that we review the MOU template to determine the exact language used in those agreements between the Commission and the tax administrators as well as confirm with legal counsel the authority and language that should be used in the policy.
- It was also discussed that the policy needed to include the threshold that requires Legislative Committee oversight to approve/review the penalty waiver as well as ensuring we include emergency declarations in the policy.
- Another issue for legal consideration and follow-up is if the waivers should be considered in whole or by domicile code.
- Commission members expressed an interest in including a definition or examples of reasonable cause in the penalty waiver policy as well as thresholds for approval levels.

VI. Action Items:

- **There were no action items.**

VII. Other Business

- A.** Mr. McManus thanked the Commission for the opportunity to attend the SEATA Conference.

VIII. Public Comment

- No additional public comment.

IX. Adjournment

- With a motion by Ms. Granier and a second by Ms. Clapinski, Chairperson Lagrange declared the meeting adjourned at approximately 11:36 AM.

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Louisiana Sales and Use Tax Commission for Remote Sellers Collection and Distribution Report

Period	Collection Month	Distribution Date	Total Collected	1% Commission Fee	Total Distributed	State Portion (Distributed)	Local Portion (Distributed)	Total Returns	Total Returns > 0	Total Open Accounts
Jul-20	Aug-20	9/11/2020	\$ 20,653,150.26	\$ 206,531.45	\$ 20,446,618.81	\$ 9,834,491.56	\$ 10,612,127.25	580	433	1331
Aug-20	Sep-20	10/9/2020	\$ 20,253,297.24	\$ 202,532.93	\$ 20,050,764.31	\$ 9,708,297.61	\$ 10,342,466.70	787	654	1570
Sep-20	Oct-20	11/10/2020	\$ 22,375,834.89	\$ 223,758.66	\$ 22,152,076.23	\$ 10,575,259.83	\$ 11,576,816.40	1080	925	1757
Oct-20	Nov-20	12/9/2020	\$ 24,151,167.24	\$ 241,512.05	\$ 23,909,655.19	\$ 11,479,794.59	\$ 12,429,860.60	1249	1069	2030
Nov-20	Dec-20	1/11/2021	\$ 27,761,459.91	\$ 277,614.48	\$ 27,483,845.43	\$ 13,355,017.16	\$ 14,128,828.27	1395	1170	2216
Dec-20	Jan-21	2/9/2021	\$ 35,222,240.58	\$ 352,222.29	\$ 34,870,018.29	\$ 16,726,031.04	\$ 18,143,987.25	1534	1308	2539
Jan-21	Feb-21	3/9/2021	\$ 27,950,194.50	\$ 279,501.96	\$ 27,670,692.54	\$ 13,248,401.71	\$ 14,422,290.83	1794	1538	2762
Feb-21	Mar-21	4/9/2021	\$ 24,262,499.34	\$ 242,625.13	\$ 24,019,874.21	\$ 11,444,817.30	\$ 12,575,056.91	1957	1649	3009
Mar-21	Apr-21	5/7/2021	\$ 35,346,757.19	\$ 353,467.97	\$ 34,993,289.22	\$ 16,759,134.28	\$ 18,234,154.94	2117	1806	3210
Apr-21	May-21	6/8/2021	\$ 28,646,775.91	\$ 286,467.91	\$ 28,360,308.00	\$ 13,612,746.93	\$ 14,747,561.07	2278	1904	3402
May-21	Jun-21	7/8/2021	\$33,927,808.61	\$ 339,278.55	\$ 33,588,530.06	\$ 15,987,845.25	\$ 17,600,684.81	2433	2052	3606
TOTAL TO DATE			\$ 300,551,185.67	\$ 3,005,513.38	\$ 297,545,672.29	\$ 142,731,837.26	\$ 154,813,835.03			

Remote Sellers Commission
FY 2020-21 Budget to Actual (as of 7.6.21)

		Budgeted	Actual to Date	Total Over/(Under)	% of Budget Used
Revenues					
	1% Commission Fee	\$ 2,700,000.00	\$ 3,005,513.38	\$ 305,513.38	111.32%
Expenditures					
	Personnel	\$ 370,000.00	\$ 313,467.44	\$ (56,532.56)	84.72%
	Travel	\$ 9,000.00	\$ 798.00	\$ (8,202.00)	8.87%
	Operating	\$ 63,300.00	\$ 49,458.83	\$ (13,841.17)	78.13%
	IT	\$ 41,600.00	\$ 41,535.00	\$ (65.00)	99.84%
	Equipment (non-IT)	\$ 4,500.00	\$ 2,488.01	\$ (2,011.99)	55.29%
	Software	\$ 5,000.00	\$ 5,045.66	\$ 45.66	100.91%
	Telephones	\$ 1,700.00	\$ 390.16	\$ (1,309.84)	22.95%
	Payroll Services	\$ 500.00	\$ -	\$ (500.00)	0.00%
	Rent/Bldg costs	-	\$ -		0.00%
	LDR Staff Support	\$ 10,000.00	\$ -	\$ (10,000.00)	0.00%
	Supplies	\$ 1,000.00	\$ 75.46	\$ (924.54)	7.55%
	Banking Fees	\$ 2,000.00		\$ (2,000.00)	0.00%
	Professional Services	\$ 51,000.00	\$ 7,635.00	\$ (43,365.00)	14.97%
	Legal/Policy Services	\$ 25,000.00	\$ 3,035.00	\$ (21,965.00)	12.14%
	Financial Services	\$ 26,000.00	\$ 4,600.00	\$ (21,400.00)	17.69%
	System Development/Maintenance	\$ 638,810.42	\$ 517,431.24	\$ (121,379.18)	81.00%
	Avenu Annual	\$ 95,450.00	\$ 95,450.00	\$ -	100.00%
	Avenu Development	\$ 543,360.42	\$ 421,981.24	\$ (121,379.18)	77.66%
	TOTAL EXPENDITURES	\$ 1,135,110.42	\$ 888,865.97	\$ (246,244.45)	78.31%

RSC Expenses Billed by LDR (as of 7.6.21)			
Detail	Amount	Notes/Classification	Budget Category
Operating Services-Xerox - Feb 2021	\$ 3.84	Equipment (non-IT)	Operating
Operating Services-Xerox - Jan 2021	\$ 2,478.65	Equipment (non-IT)	Operating
Operating Services-Xerox-May 2021	\$ 5.52	Equipment (non-IT)	Operating
	\$ 2,488.01	Equipment (non-IT) Total	
OTS Apr 2021	\$ 4,615.00	IT	Operating
OTS Dec 2020	\$ 4,615.00	IT	Operating
OTS Feb 2021	\$ 4,615.00	IT	Operating
OTS Jan 2021	\$ 4,615.00	IT	Operating
OTS Mar 2021	\$ 4,615.00	IT	Operating
OTS Nov 2020	\$ 4,615.00	IT	Operating
OTS Oct 2020	\$ 4,615.00	IT	Operating
OTS Aug 2020	\$ 4,615.00	IT	Operating
OTS Sept 2020	\$ 4,615.00	IT	Operating
	\$ 41,535.00	IT Total	
Adobe Acrobat Pro	\$ 92.81	Software	Operating
OTS Feb 2021 Adobe Acrobat Pro	\$ 58.92	Software	Operating
Software/Supplies	\$ 239.40	Software	Operating
Domain Name Fees (GoDaddy.com)	\$ 319.98	Software	Operating
Quckbooks (Annual)	\$ 4,334.55	Software	Operating
	\$ 5,045.66	Software Total	
OTM Monthly Apr 2021 Phone	\$ 97.54	Telephone	Operating
OTM Monthly Feb 2021 Phone	\$ 97.54	Telephone	Operating
OTM Monthly Jan 2021 Phone	\$ 97.54	Telephone	Operating
OTM Monthly May 2021 Phone	\$ 97.54	Telephone	Operating
	\$ 390.16	Telephone Total	
Benefits - June 2021	\$ 8,532.94	Benefits	Personnel
Benefits - May 2021	\$ 8,532.93	Benefits	Personnel
Benefits - Nov-Dec 2020	\$ 12,076.97	Benefits	Personnel
Benefits -July-Nov 2020	\$ 33,740.17	Benefits	Personnel
Benefits-Feb 2021	\$ 8,532.94	Benefits	Personnel
Benefits-Jan 2021	\$ 8,732.92	Benefits	Personnel
Benefits-Mar 2021	\$ 8,532.93	Benefits	Personnel
	\$ 88,681.80	Benefits Total	
Other Compensation - July 2020	\$ 2,308.00	Salaries	Personnel
Salaries - July - Nov 2020 (1)	\$ 49,757.23	Salaries	Personnel
Salaries - July - Nov 2020 (2)	\$ 63,738.79	Salaries	Personnel
Salaries - Nov-Dec 2020	\$ 25,149.60	Salaries	Personnel
Salaries-Feb 2021	\$ 16,766.40	Salaries	Personnel
Salaries-Jan 2021	\$ 16,766.40	Salaries	Personnel
Salaries-June 2021	\$ 16,766.41	Salaries	Personnel
Salaries-Mar 2021	\$ 16,766.41	Salaries	Personnel
Salaries-May 2021	\$16,766.40	Salaries	Personnel
	\$224,785.64	Salaries Total	
P&N	\$ 4,600.00	Financial Services	Professional Services
	\$ 4,600.00	Financial Services Total	
Amedee Law Firm	\$ 3,035.00	Legal	Professional Services
	\$ 3,035.00	Legal Total	
Supplies-Aug 2020	\$ 74.24	Supplies	Supplies

Supplies-Sept 2020	\$ 1.22	Supplies	Supplies
	\$ 75.46	Supplies Total	
Avenu	\$ 95,450.00	Avenu Annual	System Development/Maintenance
	\$ 95,450.00	Avenu Annual Total	
Avenu	\$ 159,656.24	Avenu Development	System Development/Maintenance
Avenu	\$ 41,250.00	Avenu Development	System Development/Maintenance
Avenu	\$ 221,075.00	Avenu Development	System Development/Maintenance
	\$ 421,981.24	Avenu Development Total	
	\$ 888,067.97	Grand Total	

Penalty Waiver Background Information for Discussion During 7.8.21 RSC Commission Meeting

- The Commission has currently received Penalty Waiver Requests from approximately 35 companies. The majority of those requests are for a single month but there are some that have submitted a waiver request for multiple months.
- By far the most common reason (over 75%) is that the remote seller selected ACH Credit instead of ACH Debit and did not realize they had to take an action to transfer the payment to us.
- The other reasons include issues with third party providers, first-time filing issues, etc.
- We have also been instructing remote sellers that want to apply for a VDA program to file for each month and submit a penalty waiver request. However, we have only received one request for this reason to date.
- The waiver requests are for penalties ranging from approximately \$12 to \$9,000. Approximately 64% of the requests are for amounts under \$500. Here is the breakdown of the waiver requests we have received:
 - \$12-\$500: 64.2%
 - \$501-1500: 11.9%
 - \$1501-\$3000: 11.9%
 - \$3001-\$9170: 11.9%
- Some questions for the Commission to consider while discussing policy:
 - Does the Commission want the policy to address approval levels by dollar amount, cause of delinquent return? What are those approval levels?
 - Does the Commission want the policy to define “reasonable cause” for approving penalty waiver or leave it broad?
 - How do we handle a parish where the collector cannot waive penalties according to the local ordinance?