

LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

Minutes of March 18, 2022 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 1:34 PM by Chairperson Lagrange. A quorum was established with seven members in attendance. Members present were:

1. Jeff LaGrange (LULSTB)
2. Danielle Clapinski (LDR)
3. Luke Morris (LDR)
4. Kelli Jumper (LDR)
5. Kevin Richard (LDR) (joined at approximately 1:37 PM)
6. Shawn McManus (LULSTB)
7. Kressy Krennerich (LULSTB)
8. Amanda Granier (LULSTB)

II. **Approval of Meeting Minutes from February 10, 2022**

- A motion was made to approve the meeting minutes from the meeting on February 10, 2022 by Ms. Krennerich, and seconded by Ms. Clapinski. Following a vote and a call for public discussion, 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 5,675 active remote seller registrations with the Commission. We continue to average 50 new registrations a week.
- Ms. Jumper also reported that there are currently 1,921 active direct marketer registrations with the Department.

IV. **Report from Executive Director**

A. Distribution Report

- Ms. Roberie provided a report and updated members on collections to date. In February, the Commission collected \$34,398,321.69. \$34,054,337.90 was distributed to the state and local collectors. The number of returns processed in February was 4,281. Of those, 3,985 were filed for the December period.
- Ms. Krennerich asked for clarification between the Total Returns by Collection Month vs Total Returns by Filing Period. Ms. Roberie explained that these numbers are pulled from the Portal and are the number of returns filed in the collection month vs the period the return was filed for.

- Mr. Morris asked for clarification on the distribution date column on the Collection and Distribution Report. He asked for clarification that the column is comparable to the legally required distribution by the 10th of the month. Ms. Roberie clarified that it was and that the Commission is consistently meeting the deadline and often distributing the collected taxes prior to the deadline.
- Mr. Morris asked about the timing of the distribution of the unused 1% collected by the Commission for administrative costs. Ms. Roberie explained that the agreements in place allow for the distribution to occur 60 days after the reconciliation is complete. The reconciliation is conducted after the close of the 13th and the 14th period – this year we determined that November was the target date. Ms. Roberie stated that the 2021 “true up” distribution was approximately \$2.1 million and was sent out in November 2021.

B. Budget

- There have been no updates to the financials since the last meeting other than salaries incurred. We are currently waiting on some administrative changes within the Department of Revenue to allow us to issue checks. The Commission’s collections continue to be higher than what was budgeted and the expenditures continue to be less.

V. Discussion Items:

A. Avenu Change Order – Penalty Waiver Changes

- Ms. Roberie presented a change order that would allow waived penalties to show on the account history and not just the return. This change will help researching if a taxpayer has received a penalty waiver in the past.
- Ms. Krennerich offered a motion to amend the agenda to move this to an action item because the change is needed as soon as possible. Mr. McManus seconded the motion. Following a vote and a call for public discussion, the amendment to the agenda was approved unanimously by the members present.

B. Commission Staff Salaries

- Ms. Roberie explained that currently commission staff members are in unclassified positions through the Department of Revenue. However, when the Commission moves off of the state payroll system next month the positions will move from out of the Department of Revenue to the Commission. Civil Service has determined that all of the Commission positions (with the exception of the Executive Director and another constitutionally granted position) will be classified positions. Because the commission employees are in unclassified positions they did not receive the market adjustment last year that classified employees meeting the requirements received. The Commission approved budget includes an

increase in pay for these employees. Civil Service advised that the pay increases be entered prior to the move from the state payroll system. The Department of Revenue Human Resources Director confirmed that a Commission vote would be needed to implement those pay increases. Ms. Roberie proposed that the Commission consider approving pay increases for the staff equal to what would have been calculated last year if they were classified employees (it can range from 2-4% depending on where the employee falls in the salary range for the position).

- Secretary Richard inquired as to whether or not performance evaluations were conducted last year as they are requirements for the market adjustment. Ms. Roberie stated that formal performance evaluations were not conducted last year. Secretary Richard also asked if there was a way to work with Civil Service to delay the move.
- Mr. Morris inquired how Civil Service could provide guidance on unclassified salaries when they do not regulate unclassified employees. Ms. Roberie agreed that was an issue and that she was trying to work with Civil Service and the Department's Human Resources division to try and determine the correct course of action. Mr. Morris also inquired about the timeline and asked if it was possible to delay the decision for more information to be obtained.
- Ms. Clapinski inquired if the classified employee positions had been identified. Ms. Roberie replied that it had been allocated by one section of Civil Service and the new section was taking a second look.
- Ms. Krennerich inquired as to whether or not Commission would be allowed to make those pay adjustments retroactively. Mr. Morris replied that he believes the Commission could vote to grant retroactive pay adjustments as part of the discussion regarding the pay increases. Mr. Morris emphasized that the entire process needs to be conducted as transparently as possible.
- Mr. Lagrange commented that this still does not address the Executive Director's salary. The position was originally offered at a certain rate based on a range adopted by the Commission but through the hiring process conducted by LDR it had to be reduced. Mr. Morris suggested that an evaluation should be conducted in order to consider a change in the Executive Director's salary and that evaluation be conducted in an executive session in a future meeting.

C. Telework Policy

- Ms. Roberie presented a proposed Telework Policy that the Commission would approve which would then be presented to the Civil Service Commission for approval at their June meeting along with policies from other entities. She explained that she used the template provided by Civil Service and made minimal changes.

VI. Action Items:

A. Lease Agreement for 7722 Office Park Blvd

- Ms. Roberie explained that the technical changes identified during last month's discussion had been made. She also clarified that the question about whether or not there was a cap on the "Basic Costs" described in section 16. The very last sentence of that section contains the cap.
- Mr. Morris inquired about the ability to exit the lease if the Commission is dissolved per legislation that has been introduced in the current Legislative session. It was agreed that section 28 provides that ability.
- Ms. Roberie also presented a proposed request from the Lessor that the RSC pay the cost of wiring (\$6,936.94) that we will require that is beyond what they expected. We are taking three existing offices and combining them to a shared space where we would have additional employees and require more data lines than currently exist. If the Commission approves the additional cost, the Office of State Buildings will reissue the lease with that line item included.
- Ms. Krennerich made a motion to direct Ms. Roberie to have the lease amended per the cost of wiring and then forward the lease to the Chairman for signature. Mr. McManus seconded the motion. Following a vote and a call for public discussion, the motion was approved unanimously by the members present.

B. Avenu Change Order - Penalty Waiver Changes

- Ms. Granier made a motion to approve the Avenu Change order as provided. Mr. Morris seconded the motion. Following a vote and a call for public discussion, the motion was approved unanimously by the members present.

VII. Other Business

- No additional business.

VIII. Public Comment

- No additional public comment.

IX. Adjournment

- With a motion by Ms. Granier and a second by Ms. Jumper, Chairman LaGrange declared the meeting adjourned at approximately 2:24 PM.