

# LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

## Minutes of March 11, 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 11:02 AM by Chairman Allen. A quorum was established with all eight members in attendance. Members present were:
1. Darlene Allen (LDR)
  2. Jeffery LaGrange (LULSTB)
  3. Kimberly Robinson (LDR)
  4. Kressynda Krennerich (LULSTB)
  5. Kelli Jumper (LDR)
  6. Danielle Clapinski (LDR)
  7. Amanda Granier (LULSTB)
  8. Shawn McManus (LULSTB)
- II. **Approval of Meeting Minutes from February 11, 2021**
- After review of the minutes, a motion was made to approve the meeting minutes from the meeting of February 11, 2021 by Mr. McManus, and seconded by Ms. Krennerich. The minutes were unanimously approved without corrections.
- III. **Update on Direct Marketer/Remote Seller Registrations by LDR**
- Ms. Jumper reported that there are currently 2,847 active remote seller registrations with the Commission. This is an increase of 240 accounts from the prior month.
  - Ms. Jumper also reported that there are currently 2,203 active direct marketer registrations with the Department. This is a slight decline from the prior month.
- IV. **Report from Executive Director**
- A. **Distribution Report**
- Ms. Roberie provided a report and updated members on collections to date. The Commission collected \$27,950,194.50 for the month of January with 1,794 returns filed. \$27,670,692.54 was distributed to the state and local collectors. Total Commission collections to date are \$178,367,344.62 with \$176,583,670.80 having been distributed to state and local collectors.

**B. Budget**

- Ms. Roberie reported that the budget is still being developed. She then reported on the Commission’s expenditures to date (see chart below).

<b>Remote Sellers Commission Expenditures and Forecasted Expenses thru 6/30/21 as of 3/9/21</b>	
<b>LDR Reimbursements To Date</b>	<b>\$ 470,447.30</b>
Avenu	\$ 316,525.00
Personnel Costs	\$ 139,798.37
Operating Expenses	\$ 13,884.53
Supplies	\$ 239.40
<b>Expenses Incurred by LDR on our behalf and not reimbursed</b>	<b>\$ 227,048.20</b>
Avenu	\$ 159,749.05
Personnel Costs	\$ 50,798.66
Operating Expenses	\$ 16,185.63
Supplies	\$ 314.86
<b>Expected new expenditures through 6/30 (not Avenu)</b>	<b>\$ 250,000.00</b>
<b>Remaining balance of Avenu contracts*</b>	<b>\$ 360,129.18</b>
	<b>\$ 1,307,624.68</b>
<i>*corrected from 3/11/21 RSC meeting to include an additional approved bucket of hours for Avenu in the amount of \$49,000; amount also includes \$148,500 that is still in the approval process</i>	

- Ms. Roberie reported that we currently have 3 staff members. We are looking at eventually adding the following positions: an accounting position, tax specialist, compliance, auditor and a compliance/auditor supervisor position. We would like to have the accounting position and compliance position filled by the end of this fiscal year.
- Ms. Granier asked if the \$250,000 new expenditures forecasted through the remainder of the year includes any positions other than the three currently filled. Ms. Roberie clarified that the \$250,000 does include funds to provide for filling the accountant position and the compliance position prior to the end of the fiscal year.
- Mr. McManus requested that the information reported be provided in writing with additional clarification, along with a plan (cash flow) of what we can pay off between now and June 30, 2021.
- Ms. Granier asked if we needed to have job descriptions for the additional positions presented at the next meeting for the Commission to review and approve. Chairman Allen concurred that we would move forward with reviewing the new position descriptions (accountant and compliance positions) at the next meeting.

- Mr. Lagrange asked when we anticipated paying the outstanding balance. Ms. Roberie stated that the Commission has approved paying invoices as they are received from LDR so we are able to pay the outstanding dollars owed to LDR as soon as LDR is able to invoice the Commission. Ms. Krennerich requested that LDR send us an invoice for all incurred expenses.

**V. Discussion Items:**

**A. Budget Amount for Legal Services Contract**

- Chairman Allen stated that the hourly rate is set by the Attorney General's office but we need to estimate a number of hours so that we can provide for a total dollar amount in the contract. Chairman Allen proposed a \$50,000 budget for each legal services contract. Ms. Granier added that her budget in Lafourche parish was \$50,000 annually for legal services. Ms. Roberie stated that we would prorate that amount for the time remaining for this fiscal year.

**VI. Action Items:**

**A. Commission meeting times**

- Chairman Allen went over the discussion from last month's meeting where it was discussed about permanently moving the Commission's meeting times to 11:00 am. She also explained that if we anticipated a lengthy discussion the meeting would be moved up to 10:00 am or and additional meeting would be scheduled. After no further discussion, Mr. Lagrange made a motion to set meeting times to 11:00 am and Ms. Jumper seconded the motion. After no further discussion and no public comment, the motion carried unanimously.

**B. Budget Amount for Legal Services Contract**

- Ms. Krennerich made a motion that we amend the agenda to include an action item to set the amount for the legal services contracts. Mr. McManus seconded the motion. After no additional discussion or public comment, Chairman Allen called for a roll call vote. The motion carried unanimously to add the action item to the agenda.
- After no further discussion, Mr. McManus made a motion to approve the \$50,000 annual maximum for each legal services contract. The motion was seconded by Ms. Lagrange. After no further discussion or public comment, Chairman Allen called for a roll call vote. The motion carried unanimously.

**VII. Other Business**

- Chairman Allen reported that the reciprocal agreement between the Commission and the Louisiana Department of Revenue has been completed.
- Mr. McManus said that he had recently been asked two questions that he wanted to bring up.
  - He stated that he has received questions about a plan for reporting that would be vendor specific. Chairman Allen responded that as of right now we have been focusing on other reports and system issues and we are unable to provide a time frame as to when we would be able to produce reports at that granular of a level. Ms. Krennerich added that since the system is still in development and our focus is on accuracy of distribution reports, it is probably too early to consider creating a report that is vendor based. Mr. McManus acknowledged the complexity of the request for the detail for over 400 domiciles and not just a single parish.
  - Mr. McManus also brought up concerns for the potential for some vendors that might have been registered with a parish to terminate that registration and register with the Commission. Specifically, current concerns about companies terminating parish registration for a separate online sales company while retaining the parish registration for the bricks and mortar company. Chairman Allen responded that the recent legislation regarding marketplace facilitation essentially ended the concept of affiliate nexus so that each of the companies would be evaluated based on their own physical presence rather than any affiliate’s physical presence. Ms. Granier added that the application process contains questions that are designed to generate follow-up questions from staff regarding affiliate relationships. She also encouraged local administrators who have information regarding a company that has registered with the Commission but the administrator believes should not have to reach out to Commission staff so that they may follow up and make any corrections that are necessary.

**VIII. Public Comment**

- No additional public comment.

**IX. Adjournment**

- With a motion by Ms. Granier and a second by Ms. Jumper, Chairman Allen declared the meeting adjourned at approximately 11:39 AM.