

Remote Sellers Information Bulletin

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Guidance on Partial Payments and Related Administrative Issues

The purpose of this bulletin is to provide guidance on the distribution of partial payments from remote sellers, the imposition of penalties and interest on delinquent tax remittances, and the deduction for vendor's compensation.

Distribution of Partial Payments from Remote Sellers

In the event a remote seller remits less than the full amount of sales and use tax shown due on a return, the amount of tax actually collected will be distributed to each taxing jurisdiction on whose behalf the tax is collected on a pro-rata basis based on the total amount of tax due to each jurisdiction.

Example

Remote Seller sells for delivery into Louisiana multiple items during a given month. Remote Seller collects \$200 of tax from Louisiana purchasers due to the following taxing jurisdictions:

1. State of Louisiana - \$100
2. Taxing Jurisdiction within Parish A - \$70
3. Taxing Jurisdiction with Parish B - \$30

Although Remote Seller's return reflects \$200 of state and local sales and use tax due, Remote Seller only remits \$50. While the outstanding \$150 of tax is subject to collection by the Louisiana Sales and Use Tax Commission for Remote Sellers ("Commission"), the Commission must distribute the \$50 remitted in accordance with LA R.S. 47:340(E)(2). The \$50 shall be remitted by the Commission to the taxing jurisdictions on a pro-rata basis, as follows:

1. State of Louisiana - \$25 ($\$100/\$200 \times \50)
2. Taxing Jurisdiction within Parish A - \$17.50 ($\$70/\$200 \times \50)
3. Taxing Jurisdiction with Parish B - \$7.50 ($\$30/\$200 \times \50)

When the Remote Seller remits the \$150, the \$150 will be distributed based on the same pro-rata distribution to the taxing jurisdictions. Interest and penalties shall accrue on the outstanding \$150 balance until remitted in full as discussed in the next section.

Imposition of Penalties and Interest on Delinquent Tax Remittances

The Commission shall collect and remit the actual interest and penalties due to each taxing jurisdiction based on the applicable taxing jurisdiction's statutory interest and penalty rates. The actual interest and penalty collected on each taxing jurisdiction's outstanding portion of tax shall be remitted directly to the taxing jurisdiction as collected. Unlike the pro-rata distribution of tax, the actual interest and penalties due to each taxing jurisdiction will be distributed directly to the taxing jurisdiction upon collection by the Commission.

Vendor's Compensation

Vendor's compensation shall be allowed as a deduction against tax due. However, vendor's compensation is only allowed when (1) the remote sellers tax return is filed timely on or before the 20th of the month following the month of collection and (2) all tax shown due on the remote sellers tax return is remitted on or before the 20th of the month following the month of collection.

Questions concerning this publication may be directed to
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Chairman
Louisiana Sales and Use Tax Commission for Remote Sellers