



LOUISIANA
DEPARTMENT *of* REVENUE

Louisiana State Sales Tax

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Louisiana Department of Revenue



*House Committee on Ways and Means
Subcommittee on State Tax Structure*

Wednesday, November 16, 2022

Sales Tax is a “transaction” Tax

Sales tax is a transaction tax which means a transaction must occur in order for the tax to be imposed. The types of transactions that are taxed under the sales tax law are defined in Title 47 Section 301.

Retail Sale

Any transfer of title or possession, or both, of tangible personal property (“TPP”) for a consideration (typically money or barter) and for any purpose other than for resale

Use

When TPP upon which no sales tax has been paid is brought into Louisiana and “used” in the state in some manner; including storage for use or anytime TPP is brought into Louisiana and becomes part of the “mass of property”

Lease or Rental

When TPP is rented or leased in Louisiana



Taxable Services

Louisiana also levies a sales tax on 8 taxable services defined in La. R.S. 47:301(14).

If the service is not listed in statute, the service is not subject to state sales tax.

- Furnishing of sleeping rooms, cottages, or cabins by hotels
- Sale or use of admissions to athletic events, amusement parks, clubs
- Storage or parking privileges by auto hotels and parking lots
- Printing or other services to reproduce written or graphic matter
- Laundry, cleaning, pressing and dyeing services including furs, furniture, carpets, and rugs
- Cold storage space and the service of preparing tangible personal property for cold storage
- Repairs to tangible personal property including vehicles, electrical and mechanical appliances, watches, jewelry, refrigerators and office appliances and equipment
- The furnishing of certain telecommunications services



Taxation of Services

Upcoming trend may include digitally based services such as:

- Digital Advertising Services
 - Tax on apportioned gross revenue from digital advertising services
- Social Media Advertising
 - Tax imposed on social media companies' gross revenue advertising services or number of users
- “Data Mining” Services
 - Tax on companies selling personal information or data, akin to a severance tax

Tax experts have recently examined the possibility of taxing additional digital goods and services to address sales tax base erosion



Taxation of Services across the U.S.

45 states with statewide sales tax

4 states have a blanket sales tax on services by default; Hawaii, New Mexico, South Dakota and West Virginia

41 states apply sales tax to enumerated services only

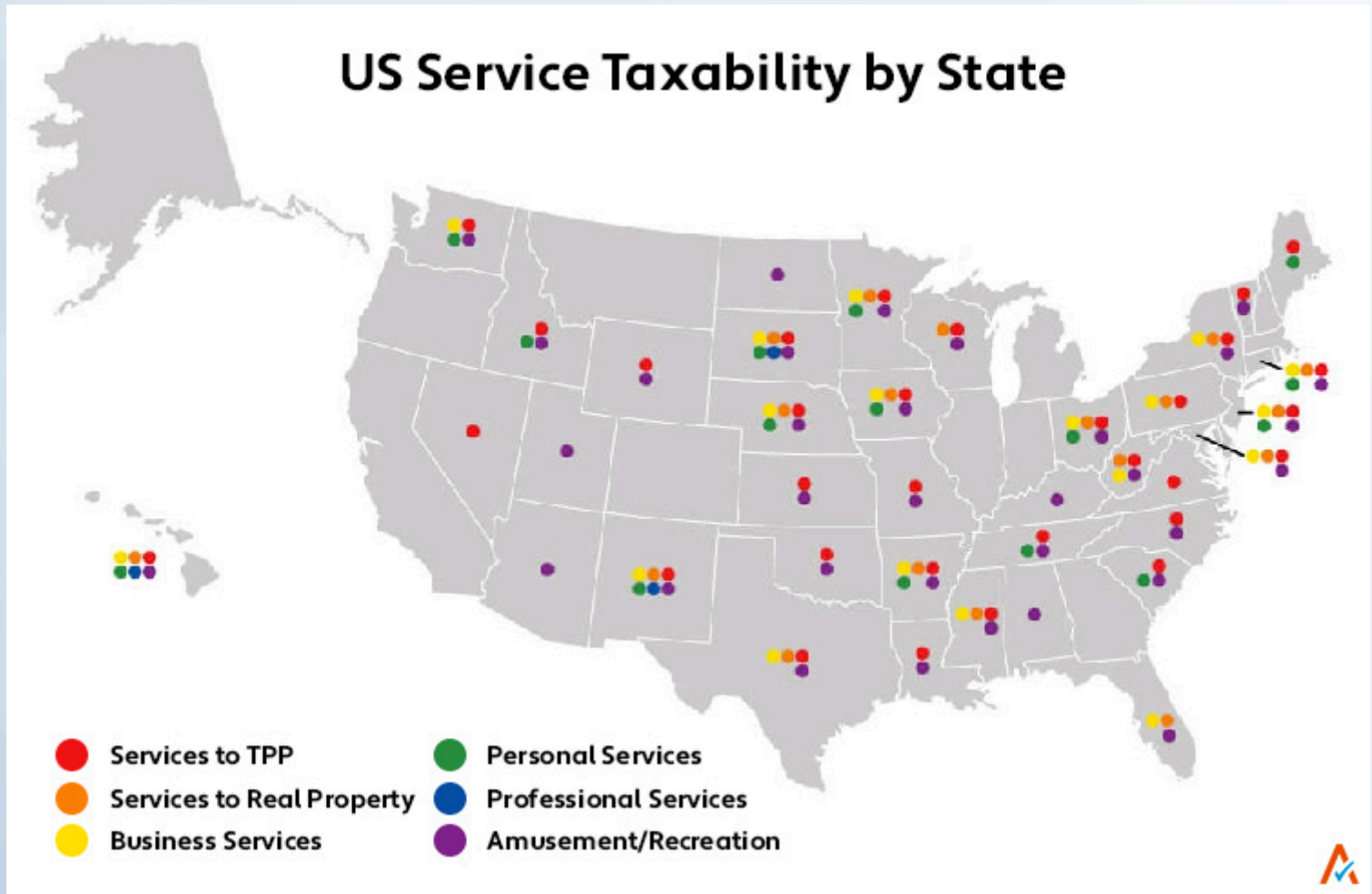
General types of services that are taxed

- Services to TPP (improve, repair, install)
- Services to real property
- Business services
- Personal services
- Professional services
- Amusement/Recreation

Source: A state-by-state analysis of charging sales tax on services; [A State-by-State Analysis of Service Taxability \(avalara.com\)](http://avalara.com)



Taxation of Services Across the U.S.



Source: A state-by-state analysis of charging sales tax on services; [A State-by-State Analysis of Service Taxability \(avalara.com\)](https://www.avalara.com/resources/state-by-state-analysis-of-service-taxability/)



LOUISIANA
DEPARTMENT of REVENUE

Use Tax

R.S. 47:301(18) defines “use” as including any exercise of any right or power over TPP incident to the ownership thereof...

Use tax is complementary to sales tax and is levied at the same rate.

- This prevents taxpayers from simply buying goods where the sales tax is the lowest to the disadvantage of the state

Sales tax rates apply to the sales price, where as use tax applies to the cost price.

- “Cost Price” is the lesser of : 1)actual cost of the articles of TPP or 2)the reasonable market value of the TPP



Sales Tax on Leases and Rentals

The sales tax rate on leases and rentals may be applied in one of two ways:

- The sales tax rate is applied to the gross proceeds of the lease or rental of TPP when the lease or rental is connected to an established business
- The sales tax rate is applied to the monthly lease or rental price agreed between the rentee /lessee and the owner of the TPP



Current Louisiana State Sales Tax Rate

- The total state sales tax rate is 4.45%
- The total state sales tax rate is levied by 5 statutes at varying rates as seen below:

Levying Statute	Rate of Tax
R.S. 47:302	2.0%
R.S. 47:321	1.0%
R.S. 47:321.1	.45%
R.S. 47:331	.97%
R.S. 51:1286 (Tourism District)	.03%
Total State Sales Tax Rate	4.45%



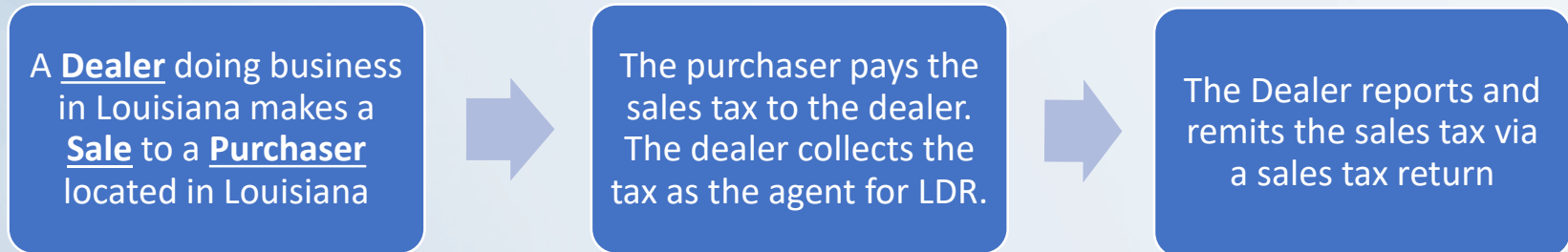
Historical State Sales Tax Rates

Time Frame	Rate of Tax
1936-1938	2% Luxury Sales Tax
1938-1940	1% General Sales Tax
1942-1944	1% War Emergency Tax
1944-1948	1% General Sales Tax *
1948-1970	2% General Sales Tax
1970-1984	3% General Sales Tax
1984-April 2016	4% General Sales Tax
April, 2016-June 30, 2018	5% General Sales Tax
July 1, 2018-Present	4.45% General Sales Tax

* This was the first permanent sales tax enacted



Sales Tax Flow



- Consumers pay the sales tax; however, the tax is collected and remitted by vendors, those making sales or “dealers” per statute.
- The definition of “dealer” found in La. R.S. 47:301(4) is broad and can essentially apply to every party involved in the sales transaction.



State Sales Tax Filing and Remittance in General

State sales taxes are due on or before the 20th of the month following the close of the calendar month or calendar quarter of the reporting period.

Generally, with some exceptions, LDR accepts paper and electronic returns.

Taxpayers may remit payment using most generally accepted methods of payment.



Traditional Louisiana Dealers

Dealers or vendors who are physically present in Louisiana may file and remit state sales tax returns via:

- Paper returns submitted to LDR
- Electronic returns via the Louisiana Taxpayer Access Point (LaTAP)
- Electronic returns via Louisiana File and Pay Online
- Electronic returns via Parish E-File
 - Allows for a state return to be submitted to LDR
 - Also allows for dealers to fill out all local returns, separately, with varying account numbers

Dealers who are physically present in the state will submit a state sales tax return along with at least one local sales tax return



Louisiana State Sales Tax Return

FD-1029 (7/22)

Louisiana Department of Revenue Sales Tax Return

Location address:



ACCOUNT NUMBER

TAXPAYER NAME

TAXPAYER ADDRESS

INDUSTRY CODE

Please use blue or black ink.
Round to the nearest dollar. Do not use dashes.

Do not use this form for filing periods prior to July 2022.
Filing period

U.S. NAICS Code _____

1	Gross sales of tangible personal property	1	00
2	Cost of tangible personal property (Used, consumed, or stored for use or consumption in Louisiana.)	2	00
3	(a) Leases and rentals of tangible personal property (Do not include motor vehicle leases or rentals, which must be filed electronically. See instructions.)	3(a)	00
	(b) Taxable services	3(b)	00
3	Total leases, rentals, and taxable services (Add Lines 3(a) and 3(b).)	3	00
4	Total (Add Lines 1, 2, and 3.)	4	00
5	Total allowable deductions (From Line 32, Schedule A. Do not include as a deduction any item not reported on either Line 1, 2, or 3.)	5	00
6	Amount taxable (Subtract Line 5 from Line 4.)	6	00
7	Tax due (Multiply amount on Line 6 by 4.45%.)	7	00
8	Excess tax collected (Do not include local sales tax.)	8	00
9	Total (Add Line 7 and Line 8.)	9	00
10	Vendor's compensation 0.944% (0.944% of Line 9 if not delinquent. Limited to \$1500. The 0.944% rate is the equivalent of 4 cents out of 4.45 cents of the 1.05% V.C. rate. See instructions.)	10	00
11	Net tax due (Subtract Line 10 from Line 9.)	11	00
11	(a) Donation to The Louisiana Military Family Assistance Fund (Enter the amount from Line 33 from the back of the return.)	11(a)	00
12	Penalty (See instructions.)	12	00
13	Interest (See instructions.)	13	00
14	Total payment due (Add Lines 11, 11(a), 12, and 13.) Mark this box if payment made electronically.	14	00

WEB PAY THIS AMOUNT (DO NOT SEND CASH) ▶

Each physical location must register to obtain a separate Revenue Account ID.

Taxpayer's FEIN _____ Parent Company FEIN _____

Final return Enter date business solicited/terminated _____ If amended return, mark this box. 42273

FD-1029 (7/22)

Allowable Deductions - Schedule A

	Total Sales	Percent Exempt
15 Interstate telecommunication services (Do not include prepaid telephone cards.)	00	22.472%
16 Interstate telecommunication services	00	44.944%
17 Prepaid telephone cards	00	22.472%
18 Electricity and natural gas or energy for non-residential use	00	55.056%
19 Steam and bulk or utility water used for non-residential purposes	00	55.056%
20 Boiler fuel for nonresidential use (See instructions.)	00	55.056%
21 Sales/purchase/leases/rentals of manufacturing machinery or equipment	00	100%
22 Sales to U. S. government and Louisiana state and local government agencies	00	100%
23 Sales of prescription drugs	00	100%
24 Sales of food for home consumption	00	100%
25 Electricity, natural gas, and bulk water for residential use	00	100%
26 Sales in interstate commerce	00	100%
27 Sales for resale	00	100%
28 Cash discounts, sales returns and allowances	00	100%
29 Tangible personal property sold for lease or rental (See instructions.)	00	100%
30 Sales of gasoline, diesel, and motor fuel (Sales for resale must be reported on Line 27.)	00	100%
31 Total from SCHEDULE A-1 (Transactions taxed at 0%.)	00	100%
32 Add Lines 15 through 31; enter here and on Line 5.	00	00

The Military Family Assistance Fund Worksheet

33(a) Donation of Vendor's Compensation _____ 33(b) Donation in Addition to Tax Due _____

33 Total Donation (Add Lines 33(a) and 33(b)) Enter here and on Line 11(a) on front of return. _____

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature _____ Date (mm/dd/yyyy) _____

Print Name _____ Title _____ Telephone _____

Preparer's Name _____ Preparer's Signature _____ Date (mm/dd/yyyy) _____ Check If Self-employed

Firm's Name _____ Firm's EIN _____

Firm's Address _____ Telephone _____

PTIN, FEIN, or LDR account number of paid preparer _____ For Office Use Only.

Louisiana Department of Revenue • Post Office Box 3138 • Baton Rouge, LA 70821-3138

This return is due on or before the 20th day following the taxable period covered and becomes delinquent on the first day thereafter, if the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the first day thereafter.

42274




Louisiana State Sales Tax Return

R-1029 (7/02)

Enter your Louisiana Revenue Account Number:

Schedule A-1: Transactions Subject To 0% Tax

Description	Sales Tax Exemption Code	Total Sales
1		00
2		00
3		00
4		00
5		00
6		00
7		00
8		00
9		00
10		00
11		00
12		00
13		00
14		00
15		00
16		00
17		00
18		00
19		00
20		00
21 Add Lines 1 - 20; enter here and on Line 31 of Schedule A, under the Total Sales column.		00

 42275



Vendor's Compensation

- Amount dealers are allowed to deduct from the amount of sales tax remitted if their tax payment is timely paid and the return is timely filed

Period	Vendor's Comp Rate	State Sales Tax Rate
August 1, 2020- Present	1.05% of 4 cents	4.45%
July 1, 2018 – July 31, 2020	.935% of 4 cents	4.45%
April 1, 2016- June 30, 2018	.935% of 4 cents*‡	5%
Prior to April 1, 2016	.935%	4%

* Vendor's Compensation does not apply to the levy in La. R.S. 47:321.1

‡ Starting in April of 2016, vendor's compensation was capped at \$1,500 per calendar month



Wholesales

Purchases, generally by retailers, from wholesalers, manufacturers or suppliers for the purpose of being resold

Those making wholesales are required to submit state sales tax returns and include information regarding sales for resale

Retailers making purchases for resale generally have resale certificates that allow for easy verification of tax free sales

- LDR has an online system that allows wholesalers and retailers to verify whether a resale certificate is valid. This system is updated nightly.

Wholesalers, in the past have been responsible for collecting and remitting state sales tax via advance tax payments



Blast from the Past: Advance Sales Tax

Prior to January 1, 2009, wholesalers collected and remitted state sales tax from the retailers making sales for resale, as well as sales made to the final consumer.

Retailers then collected state sales tax on sales to the final consumer and took an “advance tax” credit against the amount collected each month.

- This “advance tax” credit was equal to the state tax amount ***paid to*** wholesalers on purchases for resale.

Dealers or retailers with annual sales of at least \$3 Million per year were exempt from the payment of advance sales tax.

Advance sales tax was repealed effective January 1, 2009.



Questions?

Exclusions vs. Exemptions

An exclusion is a transaction that falls outside of the statute imposing the tax. Exclusions were never meant to be taxed.

- Examples: Government Purchases; Food for home consumption and preparation in the home

An exemption allows a transaction that would normally be subject to sales or use tax, to be completed without the payment of tax

- Example: Sales to parish councils on aging and nonprofit literacy organizations



Constitutional Exclusions

Food for consumption and further preparation in the home

Natural gas, electricity and water sold directly to the consumer for residential use

Prescription Drugs

Fuels subject to the road-use excise tax such as gasoline, gasohol and diesel



Frequently Used Statutory Exclusions

Sales for resale

Governmental purchases

Products intended for further processing into another article of TPP to be sold at retail



Frequently Used Exclusions

Purchases of manufacturing machinery and equipment used in the manufacturing process (“MM&E”)

- La R.S. 47:301(3)(i)

LDR approves certain businesses as manufacturers

- This means LDR has found they are taking raw materials and changing these materials in a way that creates new tangible personal property that is sold to consumers

Once approved as a manufacturer, the taxpayer is issued an exemption certificate to purchase qualifying machinery and equipment without paying state sales tax

This exclusion can apply to agricultural businesses as well



Frequently Used Exemptions

Medical Devices

Property purchased for exclusive use outside of the state

Lease or rental of certain vessels used in mineral production

Sales of certain fuels used for farm purposes



Exclusive List of Exemptions and Exclusions

In 2016, the legislature enacted exclusive lists of exemptions and exclusions that would be in effect for specific periods of time.

This list of exclusions and exemptions did not repeal exclusions or exemptions, but did result in the suspension of some exclusions and exemptions.

This list is in every statute that levies a portion of the sales tax. The exclusive list currently in effect will expire June 30, 2025.

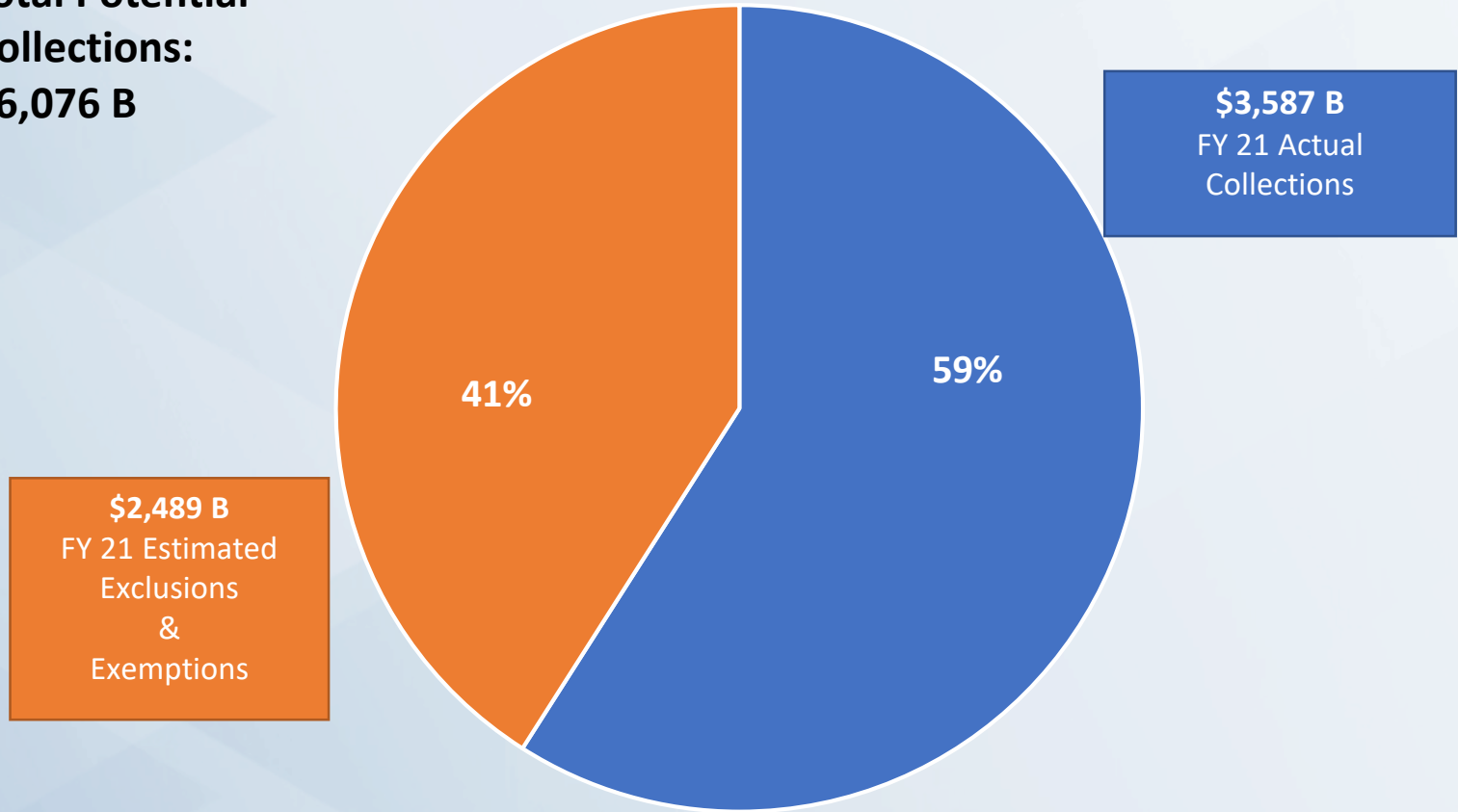
- R.S. 47:302(BB); 321(P); 321.1(I); 331(V)



Fiscal Impact of Exclusions and Exemptions

Collections vs. Exclusions & Exemptions

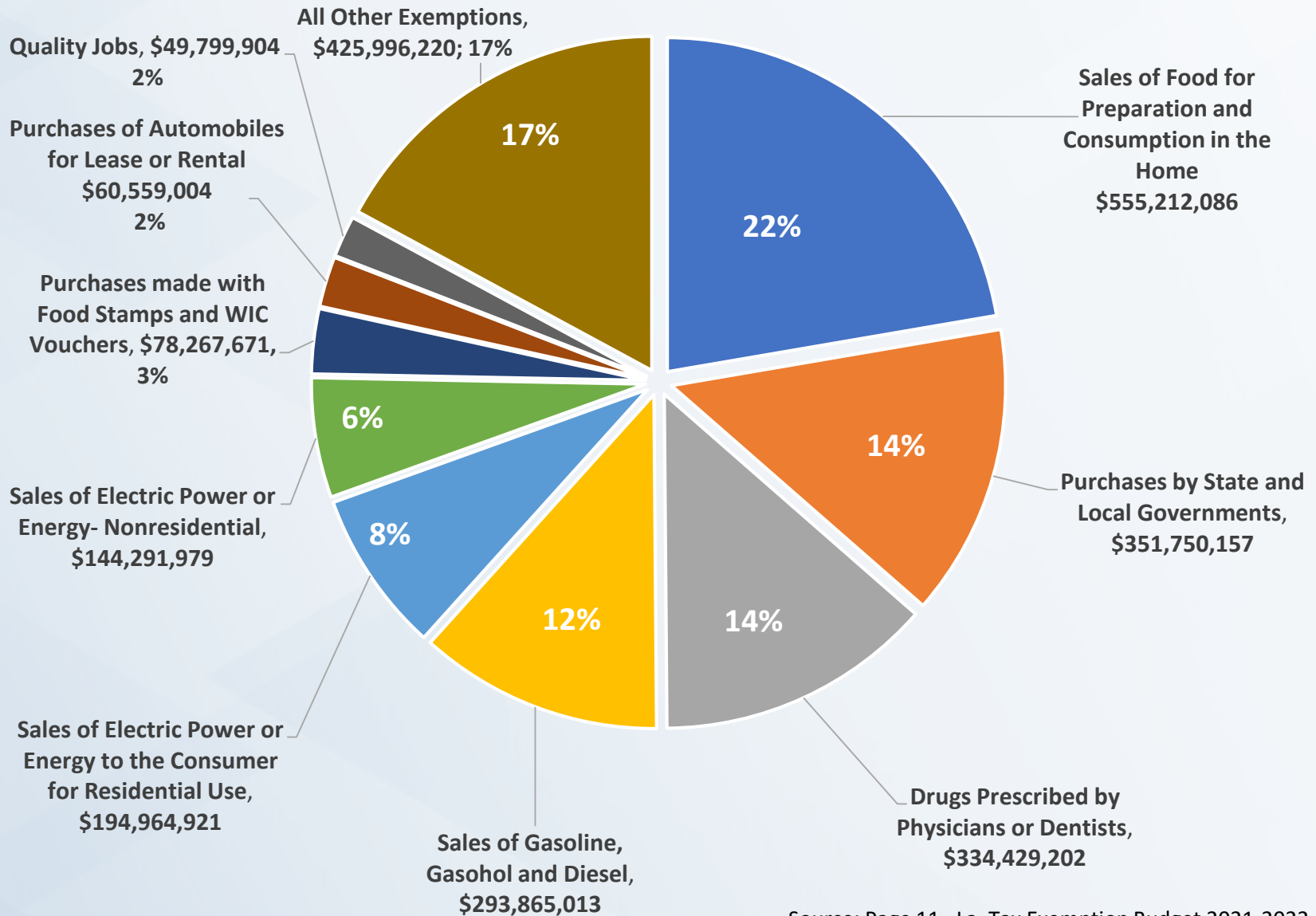
**Total Potential
Collections:
\$6,076 B**



Source: Page 9, La. Tax Exemption Budget 2021-2022



Fiscal Impact of Exclusions & Exemptions FY 21



Source: Page 11, La. Tax Exemption Budget 2021-2022

Questions?

Remote Sales

Prior to the *South Dakota v. Wayfair* decision in June 2018, states could only enforce tax collection upon dealers within the state, who made sales within the state. Physical presence was required.

The U.S. Supreme Court, in the *Wayfair* decision found states could, under certain circumstances, require dealers outside of the state to collect state and local sales tax on sales occurring in the state. Physical presence in a state is no longer required for the state to enforce collection of state taxes.

The *Wayfair* decision established an “economic nexus” essentially replacing the prior “physical nexus” that determined whether tax collection was required.



Remote Sales

The U.S. Supreme Court noted 6 features of South Dakota's remote sales collection law that showed it was designed to prevent discrimination against or undue burdens upon interstate commerce:

- A safe harbor excluding those who sell only limited amounts in state
- No retroactive tax collection
- Single, state-level administration of sales taxes
- Simplified tax rate structure
- Uniform definitions and other rules
- Access to software provided by the state, with immunity for those who rely on it



Louisiana Sales and Use Tax Commission for Remote Sellers

Act 274 of the 2017 RS created the Commission within LDR to administer and collect sales and use tax with respect to remote sales

- The Commission is the single entity in Louisiana administering remote sales and use tax
- The Commission is comprised of 8 voting commissioners representing state and local government

Remote sellers were required to register with the Commission and soon after begin collection starting July 1, 2020

All remote sales tax returns and payments are electronically filed and remitted to the Commission

The Commission is the single entity with state and local audit authority regarding remote sales



Remote Sales

Act 5 of the 2018 2nd Extraordinary Session amended the definition of “dealer” to include sellers lacking physical presence, who make a minimum number of sales into Louisiana.

- As a result, sellers not located in Louisiana, but having sales of tpp, services, or electronic products delivered into the state are required to collect Louisiana sales tax if either of the following thresholds are met:
 - Gross revenues of sales delivered into Louisiana exceed \$100,000; or
 - Made deliveries into Louisiana in 200 or more separate transactions



Remote Sellers

Remote Sellers remit sales tax returns on or before the 20th of the month following the close of the calendar month of the reporting period

- Same as the state sales tax return due date
- All return filings and payments are submitted electronically using the Remote Seller portal found at RemoteSellersFiling.la.gov
 - One return with some separate entries per parish



Remote Seller Collections FY 22

Fiscal Year	Total Collected	1% Commission Fee	Total Distributed	State Portion (Distributed)	Local Portion (Distributed)
FY 20-21	\$332,912,908	\$3,329,131	\$329,583,777	\$157,972,789	\$171,610,988
FY 21-22	\$444,439,537	\$4,444,400	\$439,995,137	\$208,394,579	\$231,600,558



Have Remote Sales Impacted Traditional Sales Collections?

In Millions

Tax		FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
State Sales Tax		\$3,883.95	\$3,946.41	\$3,559.82	\$3,352.50	\$3,610.45	\$4,376.54
Less RSC	State Portion					-\$142.73	-\$206.01
						\$3,467.72	\$4,170.53
DMR Collections	Estimated State Portion	\$1.73	\$2.01	\$6.75	\$35.30	\$26.46	\$9.34
Direct Marketer's	State & Local	\$3.11	\$3.61	\$11.40	\$59.65	\$44.72	\$15.78
	State Rate	5%	5%	4.45%	4.45%	4.45%	4.45%
	Local Rate	4%	4%	4%	4%	4%	4%
	Percentage of State Tax	55.56%	55.56%	59.17%	59.17%	59.17%	59.17%

**Note: The State and RSC figures are reported by collection period. DMR figures are reported by reporting period, not by collection periods.*

No apparent impact on traditional sales collections due to increased remote sales collections

There is a reduction in Direct Marketer collections likely due to the remote seller requirements

- Direct Marketers are remote sellers who remit voluntarily
- Direct Marketers do not meet the thresholds to establish economic nexus

Direct Marketers

Taxpayers known as “Direct Marketers” are remote retailers who have made sales of TPP in the state of Louisiana

Direct Marketers voluntarily collect and remit the flat rate tax of 8.45% levied in La. R.S. 47:302(K)

- Voluntary collection due to no means to enforce collection prior to the Wayfair decision
- Currently voluntary since direct marketers are remote retailers who do not meet the thresholds for economic nexus (\$100,000 in sales or more than 200 transactions)

The 8.45% tax collected consists of the 4.45% state sales tax and 4% sales tax in lieu of any local sales tax

- Collections of the 4% in lieu of the local sales tax are distributed to all parishes; pro rata by population

Businesses must apply to register as a direct marketer with LDR prior to submitting returns

All applications, returns and payments must be completed electronically, using the LaTAP system

Revenues remaining after the payment of an Inter Agency Transfer to the Louisiana Board of Tax Appeals are distributed to all local collectors by population on a quarterly basis



Consumer Use Tax

Consumer use tax becomes due when a Louisiana resident purchases goods through remote means and no sales or use tax is collected

Consumers reporting and remitting this use tax must apply the same flat rate of 8.45% used by direct marketers

- 4.45% state sales tax
- 4.00% in lieu of local sales tax ; distributed by population among all 64 Parishes

Consumer use tax is due by the due date of the Louisiana Individual Income Tax Return and may also be remitted using the Individual Income Tax Return.

- Purchases made in 2022 should be reported by May 15, 2023

Consumer use tax may be filed using paper returns or electronic returns



Consumer Use Tax

R-1035 (1/22)



LOUISIANA
DEPARTMENT of REVENUE

Louisiana Consumer Use Tax
Louisiana Revised Statute 47:302(K)

PURCHASES MADE IN
CALENDAR YEAR
2022

Your First Name	MI	Last Name	Suffix	Your Social Security Number
If Joint Return, Spouse's Name	MI	Last Name	Suffix	Spouse's Social Security Number
Current Home Address (number and street including rural route)		Unit Type	Number	Area code and daytime telephone number
City, Town, or APO		State	ZIP	
Foreign Nation, if not United States (do not abbreviate)				

Under Louisiana Revised Statute 47:302(K), individuals are required to file and pay a consumer use tax directly to the Louisiana Department of Revenue (LDR). The consumer use tax is calculated at the rate in effect on the date of your purchase. This rate, which includes 4% to be distributed by LDR to local governments, is in lieu of the actual local rate in effect in your area, and is payable regardless of whether the actual combined state and local rate in your area is equal to, higher than, or lower than the effective rate.

Businesses cannot use this consumer use tax return to report their use tax. The tax must be reported on the dealer's state and local sales tax returns. Individuals may choose to pay the consumer use tax on this form or on the Louisiana Individual Income Tax Return. To report and pay your consumer use tax on this form, complete the lines below. You may report a single purchase at a time or multiple purchases at a time.

- If you are reporting multiple purchases, mark the box on Line 1. DO NOT enter a date.
- Do not include amounts previously reported to LDR. If you have overpaid your consumer use tax, you must file Form R-1117, *Louisiana Consumer Use Tax Claim for Refund*, to request a refund.
- You may use the attached worksheet to track your purchases. Keep the worksheet for your records.
- Line 4 is the amount of consumer use tax you owe. If you do not include full payment, you will receive a bill for the outstanding amount.

You must report and pay your consumer use tax by the due date of the Louisiana Individual Income Tax Return for the year you purchased taxable property or services. For taxable purchases made during 2022, you must pay the consumer use tax by May 15, 2023. Failure to pay the consumer use tax by the deadline will result in interest and penalties in addition to any consumer use tax due.

Questions concerning consumer use tax should be directed to the Louisiana Department of Revenue at (855) 307-3893 or can be emailed to Sales.Inquiries@LA.Gov.

USE THIS FORM FOR PURCHASES MADE FROM JANUARY 1, 2022 TO DECEMBER 31, 2022.

1. Enter Date of Purchase (mm/dd/yyyy). If multiple dates, mark this box; Do not enter a date. 2022
(mm/dd/yyyy)

2. Total Purchase Price (Round to the nearest dollar.) 00

3. Tax Rate x .0845

4. Total Use Tax Due (Multiply Line 2 by Line 3; round to the nearest dollar.) 00

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your Signature _____ Date (mm/dd/yyyy) _____ Spouse's Signature (if filing jointly, both must sign) _____ Date (mm/dd/yyyy) _____

PAID PREPARER USE ONLY	Print/Type Preparer's Name	Preparer's Signature	Date (mm/dd/yyyy)	Check <input type="checkbox"/> if Self-employed
	Firm's Name >	Firm's FEIN >		
	Firm's Address >	Telephone >		

MAIL TO:
Louisiana Department of Revenue
P. O. Box 3550
Baton Rouge, LA 70821-3550

PTIN, FEIN, or LDR Account Number of Paid Preparer

For Office Use Only. 4205



Page 1 of 3

Consumer Use Tax Form

Individual Income Tax Return

2021 Form IT-540-WEB (Page 3 of 4)

Enter your Social Security Number. _____

22	ADJUSTED LOUISIANA INCOME TAX – Subtract Line 21 from Line 19.	22	_____ 00
23	CONSUMER USE TAX - You must mark one of these boxes. <input type="checkbox"/> No use tax due. <input type="checkbox"/> Amount from the Consumer Use Tax Worksheet.	23	_____ 00
24	TOTAL INCOME TAX AND CONSUMER USE TAX – Add Lines 22 and 23.	24	_____ 00



LOUISIANA
DEPARTMENT of REVENUE

Historical Consumer Use Tax Collections

Fiscal Year	Tax Rate	Period of Collections	Consumer Use Tax IIT Return	Number of Taxpayers Filing Per FY	Consumer Use Tax R-1035	Number of Taxpayers Filing Per FY
FY2020	8.45%	July 2019 - Sept 2019	\$134,175	53,638	\$3,910	514
	8.45%	Oct 2019 - Dec 2019	169,758		13,607	
	8.45%	Jan 2020 - March 2020	542,562		9,912	
	8.45%	April 2020 - June 2020	444,458		7,571	
			\$1,290,953		\$35,000	
FY2021	8.45%	July 2020 - Sept 2020	\$331,659	16,650	\$3,087	138
	8.45%	Oct 2020 - Dec 2020	59,293		2,926	
	8.45%	Jan 2021 - March 2021	276,975		6,188	
	8.45%	April 2021 - June 2021	476,355		9,258	
			\$1,144,283		\$21,459	
FY2022	8.45%	July 2021 - Sept 2021	\$39,234	7,991	\$593	33
	8.45%	Oct 2021 - Dec 2021	29,161		677	
	8.45%	Jan 2022 - March 2022	214,829		858	
	8.45%	April 2022 - June 2022	269,382		475	
			\$552,606		\$2,602	



Digital Goods

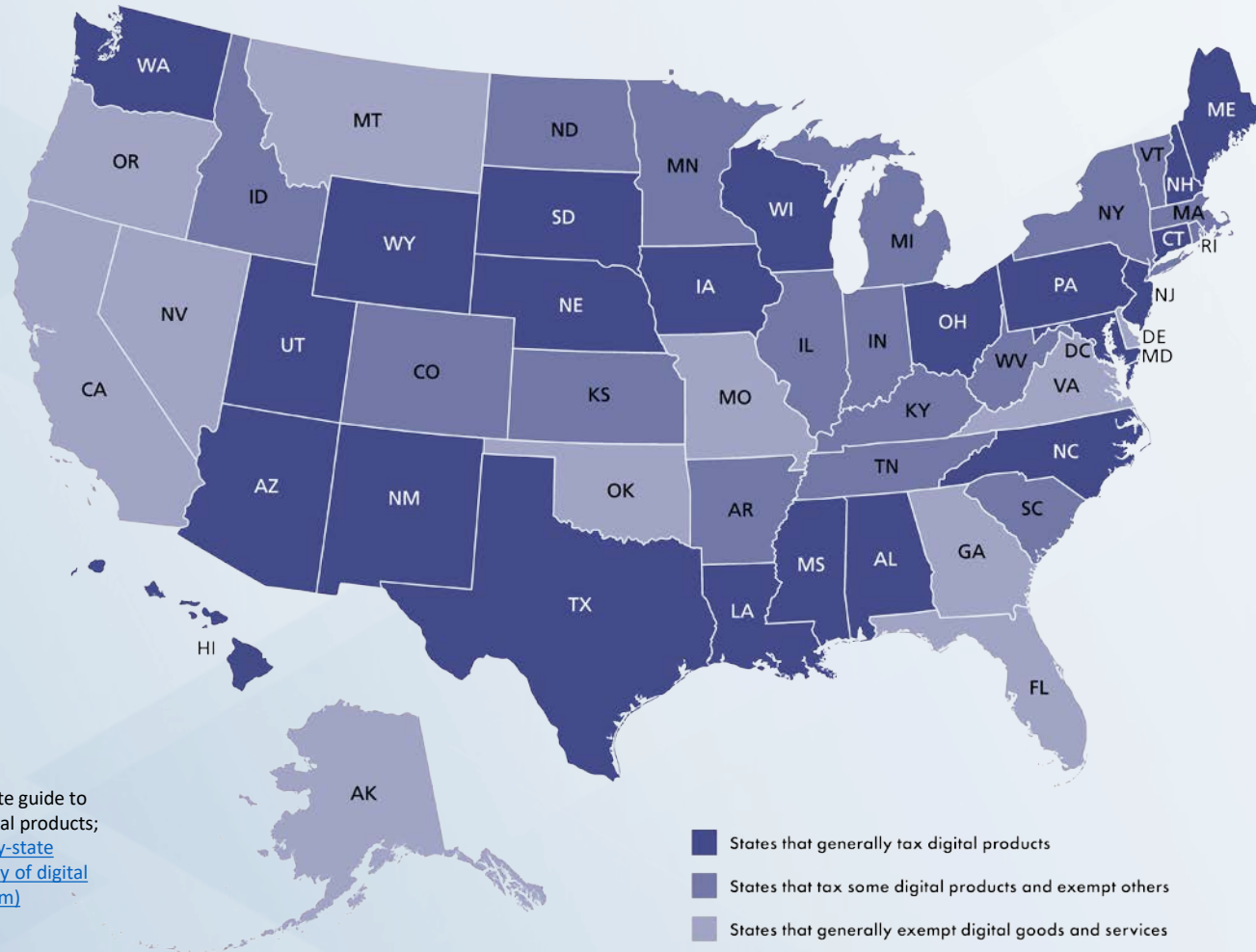
- Sales and use tax is currently collected on digital goods such as canned software and other downloaded files as sales of TPP
- There is a great deal of voluntary remittance

Taxation of Digital Products in SEATA States		
Generally Taxed	Some Taxed Some Exempt	Generally Not Taxed
Texas	Arkansas	Georgia
Louisiana	Kentucky	Florida
Mississippi	West Virginia	
Alabama	South Carolina	
North Carolina		

Source: State-by-State guide to the taxability of digital products; 04/05/2022; [State-by-state guide to the taxability of digital products \(avalara.com\)](https://www.avalara.com)



Taxation of Digital Goods in the U.S.



Source: State-by-State guide to the taxability of digital products; 04/05/2022; [State-by-state guide to the taxability of digital products \(avalara.com\)](#)



Questions?

State Sales Tax & Local Sales Tax

The Louisiana Constitution authorizes the levy of state sales taxes as well as local sales taxes

- Article 7, §1 authorizes the legislature to tax for public purposes
- Article 6, § 29(A) authorizes local governmental subdivisions or school boards to levy sales and use tax with a maximum total sales tax of 3% within any one local governmental subdivision
- Article 6, §29(B) allows for this 3% maximum to be exceeded if the legislature votes to allow the electors to vote on the additional tax



State Sales Tax & Local Sales Tax

The state sales tax rate is 4.45%

Local tax rates vary depending on location

- This results in the combined state and local tax rate also varying across the state

State sales tax exclusions and exemptions are found in Title 47 and are applied uniformly across the state

Local sales tax exclusions and exemptions may be applied uniquely in every local governmental subdivision according to La. R.S. 47:337.10

The legislature retains the ability to enact blanket local exclusions or exemptions across all local governments

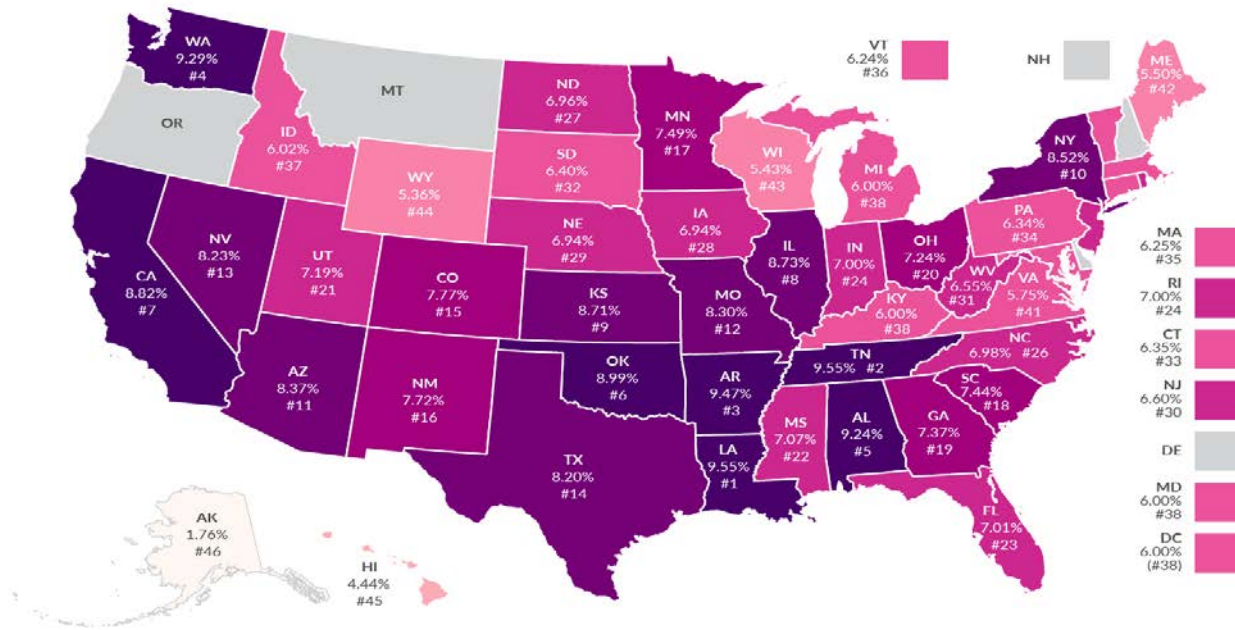
- Example: Food for home consumption is excluded at the state level yet taxed at varying local rates across the state



How do Louisiana Sales Tax Rates Compare?

How High are Sales Taxes in Your State?

Combined State & Average Local Sales Tax Rates, July 2022



Notes: City, county and municipal rates vary. These rates are weighted by population to compute an average local tax rate. The sales taxes in Hawaii, New Mexico and South Dakota have broad bases that include many business-to-business services. D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.
Sources: Sales Tax Clearinghouse; Tax Foundation calculations; State Revenue Department websites



TAX FOUNDATION

@TaxFoundation

How do Louisiana Sales Tax Rates Compare?

45 states and the District of Columbia collect statewide sales tax.

Louisiana's **state sales tax rate of 4.45%** is the **38th** highest statewide tax in the U.S.

Local sales taxes are collected in 38 states.

Louisiana's **average local tax rate is 5.10%**.

Louisiana has the **second highest average local sales tax rate**.

Louisiana's **combined average sales tax rate is the highest in the nation at 9.55%**.

The states with the next highest average combined state and local sales tax rates are: Tennessee (9.547%), Arkansas (9.48%), Washington (9.29%) and Alabama (9.22%).

Source: Tax Foundation



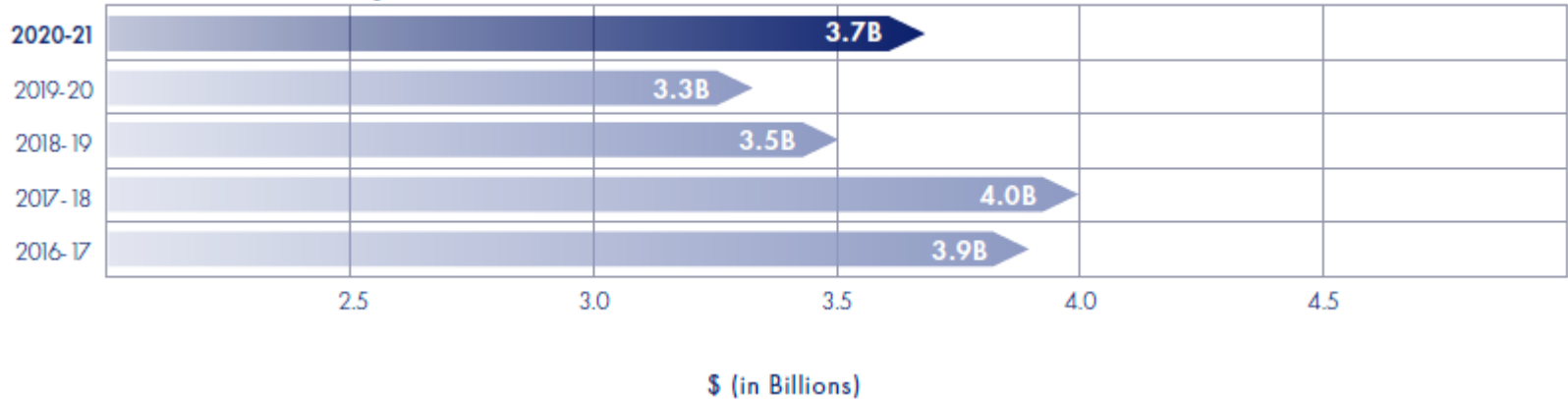
Five-Year Comparison of State Sales Tax Collections

Five-Year Comparison

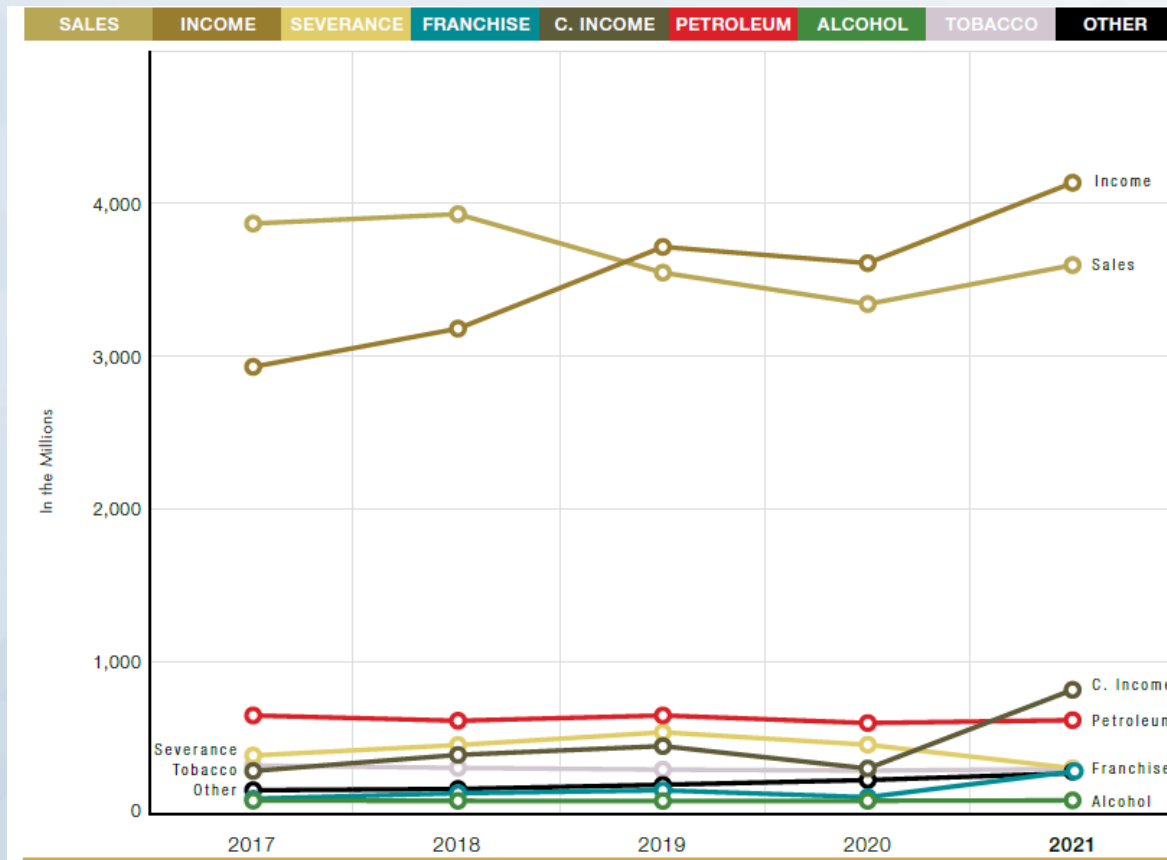
Fiscal Year	Amount Collected	Percent Change
2020-21	\$3,690,121,707	11.08%
2019-20	\$3,322,086,364	-5.27%
2018-19 ¹	\$3,506,752,891	-11.58%
2017-18	\$3,966,046,879	2.08%
2016-17	\$3,885,072,265	29.29%

¹State sales tax rate decreased from 5% to 4.45% effective July 1, 2018.

Five-Year Comparison of Sales Tax Collections

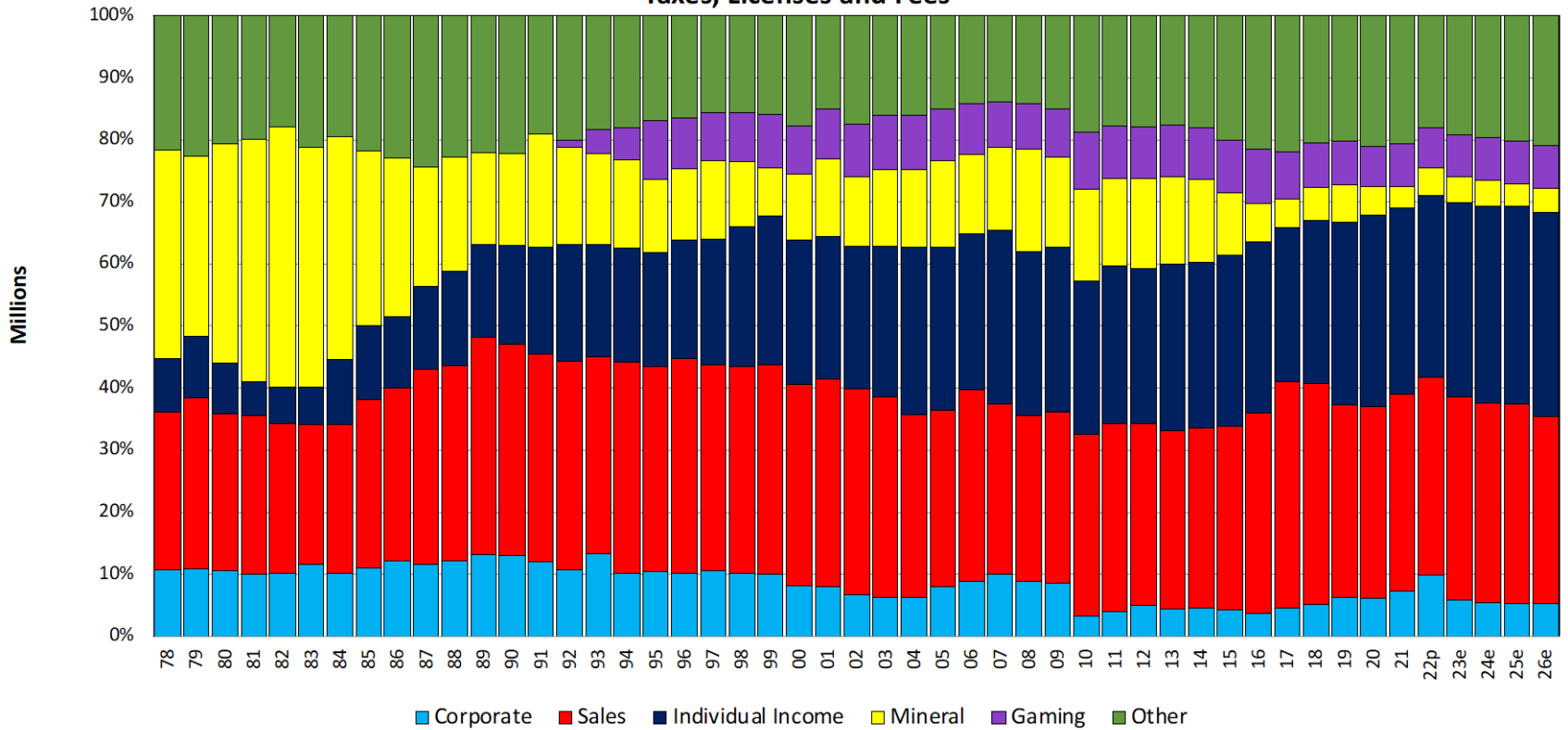


State Tax Collections



State Tax Collections

Percent of Gross State General Fund Revenue by Fiscal Year
Taxes, Licenses and Fees



Parish Comparison of State Tax Collections per Capita

Parish	Population Estimates	Gross Sales Tax Due	Sales Tax (Per Capita)	Distribution of Local Property Taxes ¹	Property Taxes (Per Capita)	LA Income Tax After Credits ²	LA Income Tax (Per Capita)
	July 1, 2020	FYE 21	FYE 21	2020	2020	FYE 21	FYE 21
Acadia	61,918	\$ 15,730,968	\$ 254	\$ 31,458,465	\$ 508	\$ 34,341,449	\$ 555
Allen	25,440	3,803,262	149	18,381,190	723	11,798,407	464
Ascension	128,665	83,713,735	651	166,912,299	1,297	139,323,791	1,083
Assumption	21,621	3,203,711	148	21,432,530	991	15,109,739	699
Avoyelles	39,966	7,101,912	178	11,687,055	292	20,440,880	511
Beauregard	37,881	8,546,532	226	33,881,118	894	23,162,173	611
Bienville	12,983	2,345,083	181	39,601,366	3,050	6,446,962	497
Bossier	127,275	48,994,455	385	117,927,853	927	94,562,775	743
Caddo	237,479	136,408,295	574	253,311,760	1,067	188,429,791	793
Calcasieu	203,310	129,480,190	637	276,931,439	1,362	160,354,741	789
Caldwell	9,839	1,493,695	152	8,746,989	889	4,737,064	481
Cameron	7,003	8,574,725	1,224	62,370,245	8,906	5,337,660	762
Catahoula	9,226	1,554,461	168	4,117,603	446	4,273,539	463
Claiborne	15,508	2,894,624	187	10,568,999	682	6,760,541	436
Concordia	18,914	8,648,742	457	14,796,658	782	7,705,928	407
DeSoto	27,650	5,675,038	205	80,347,635	2,906	20,278,728	733
East Baton Rouge	439,729	215,589,044	490	547,788,468	1,246	439,754,630	1,000
East Carroll	6,589	1,022,591	155	6,403,272	972	2,346,082	356
East Feliciana	18,882	2,959,387	157	9,677,485	513	13,679,585	724
Evangeline	33,276	4,358,433	131	18,618,066	560	17,494,009	526
Franklin	19,723	3,299,231	167	11,681,743	592	8,855,856	449
Grant	22,254	1,191,471	54	9,485,624	426	14,524,949	653
Iberia	68,991	19,850,001	288	47,319,271	686	43,958,529	637
Iberville	32,070	12,890,330	402	76,480,513	2,385	23,368,293	729
Jackson	15,574	2,055,791	132	21,379,909	1,373	8,101,649	520
Jefferson	432,346	305,948,417	708	434,940,158	1,006	397,692,422	920
Jefferson Davis	31,208	9,640,633	309	26,272,695	842	18,051,400	578
Lafayette	246,518	132,779,525	539	191,956,806	779	236,523,654	959
Lafourche	97,596	37,074,400	380	117,731,279	1,206	75,107,267	770
LaSalle	15,021	3,453,475	230	13,785,191	918	8,014,973	534
Lincoln	46,552	21,649,866	465	38,830,302	834	30,538,477	656
Livingston	143,737	30,938,607	215	66,017,599	459	112,672,923	784
Madison	10,635	4,010,560	377	11,703,818	1,101	3,311,513	311
Morehouse	24,227	6,247,097	258	14,829,048	612	10,338,738	427
Natchitoches	37,655	7,958,066	211	35,245,246	936	23,216,845	617



Parish Comparison of State Tax Collections per Capita

Parish	Population Estimates	Gross Sales Tax Due	Sales Tax (Per Capita)	Distribution of Local Property Taxes ¹	Property Taxes (Per Capita)	LA Income Tax After Credits ²	LA Income Tax (Per Capita)
	July 1, 2020	FYE 21	FYE 21	2020	2020	FYE 21	FYE 21
Orleans	389,476	\$ 163,741,027	420	\$ 614,635,791	\$ 1,578	\$ 366,069,785	\$ 940
Ouachita	152,439	70,276,889	461	113,095,851	742	109,765,531	720
Plaquemines	23,113	11,118,254	481	67,652,320	2,927	23,828,518	1,031
Pointe Coupee	21,529	4,429,379	206	33,723,635	1,566	15,586,701	724
Rapides	128,567	61,860,659	481	98,581,148	767	95,179,753	740
Red River	8,286	1,767,740	213	25,879,363	3,123	4,968,820	600
Richland	20,014	4,134,373	207	17,856,361	892	10,782,269	539
Sabine	23,803	5,324,070	224	20,133,346	846	13,773,169	579
St. Bernard	47,647	13,046,678	274	56,781,127	1,192	24,043,459	505
St. Charles	52,987	24,764,823	467	200,330,196	3,781	54,158,799	1,022
St. Helena	10,081	616,305	61	7,488,746	743	6,005,875	596
St. James	20,727	13,080,970	631	72,765,697	3,511	18,417,536	889
St. John the Baptist	42,516	27,349,269	643	86,800,502	2,042	29,665,091	698
St. Landry	81,440	19,532,249	240	39,041,916	479	53,528,481	657
St. Martin	52,954	8,347,861	158	42,073,282	795	33,626,348	635
St. Mary	48,330	22,956,204	475	57,999,324	1,200	32,377,798	670
St. Tammany	263,446	112,378,100	427	333,898,777	1,267	314,783,963	1,195
Tangipahoa	136,765	37,502,137	274	56,302,443	412	84,931,036	621
Tensas	4,178	377,657	90	7,229,284	1,730	2,025,799	485
Terrebonne	109,859	35,287,899	321	92,167,837	839	82,699,202	753
Union	22,170	2,917,210	132	13,031,375	588	11,623,797	524
Vermilion	59,378	15,602,655	263	30,543,309	514	38,922,745	656
Vernon	47,894	7,060,582	147	18,445,051	385	20,209,029	422
Washington	45,773	7,168,984	157	23,323,844	510	18,592,054	406
Webster	37,943	10,825,272	285	28,740,275	757	22,633,554	597
West Baton Rouge	26,792	18,574,262	693	55,510,682	2,072	23,666,877	883
West Carroll	10,646	1,518,892	143	4,909,385	461	4,564,413	429
West Feliciana	15,465	3,429,481	222	34,990,933	2,263	11,892,756	769
Winn	13,839	1,959,165	142	6,827,979	493	7,068,559	511

LOUISIANA'S ESTIMATED POPULATION: 4,645,318

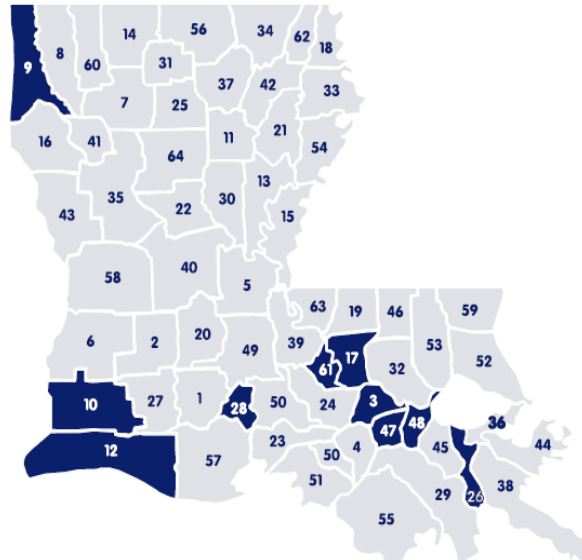


Top Ten Parishes with Highest State Sales Tax Collections Per Capita

For Fiscal Year 2021

L ¹	Parish	FYE 2021 Per Capita	Rank
12	Cameron	\$1,224	1
26	Jefferson	\$708	2
61	West Baton Rouge	\$693	3
3	Ascension	\$651	4
48	St. John the Baptist	\$643	5
10	Calcasieu	\$637	6
47	St. James	\$631	7
9	Caddo	\$574	8
28	Lafayette	\$539	9
17	East Baton Rouge	\$490	10

¹Use numbers as a legend for the map below.



State Sales Tax Revenues in Top 5 Parishes

Parish	FY 21 State Sales Tax Collections
Jefferson	\$305,948,417
East Baton Rouge	\$215,589,044
Orleans	\$163,741,027
Caddo	\$136,408,295
Lafayette	\$132,779,525



State Sales Tax by Amount Due

For Fiscal Year 2021

Amount of Tax Due	Tax Due by Bracket	Percent of Tax Due	Number of Returns	Percent of Returns
0 - 99	\$ 5,544,285	0.15%	744,630	58.14%
100 - 199	8,272,778	0.23%	56,791	4.43%
200 - 499	31,822,645	0.89%	95,129	7.43%
500 - 999	66,523,686	1.86%	91,304	7.13%
1,000 - 1,999	139,787,024	3.90%	97,346	7.60%
2,000 - 2,999	125,155,138	3.49%	50,923	3.98%
3,000 - 3,999	112,988,939	3.15%	32,613	2.55%
4,000 - 4,999	95,867,484	2.67%	21,458	1.68%
5,000 - 9,999	335,280,415	9.35%	48,076	3.75%
10,000 - 24,999	399,269,002	11.14%	26,491	2.07%
25,000 - 49,999	274,130,606	7.65%	7,975	0.62%
50,000 - 99,999	284,244,947	7.93%	4,092	0.32%
1,000,000 & Over	1,705,664,190	47.58%	4,016	0.31%
TOTALS	\$ 3,584,551,139	100%	1,280,844	100%

- Dealers with the smallest amount of tax due file the largest number of returns by far, yet are only liable for 0.15% of state sales taxes due
- Extremely large dealers file the fewest returns, yet are liable for almost half of the state sales taxes collected



Primary State Sales Tax Dedications

Distribution to LED and LA Tourism FY 21

LA Economic Development Fund	\$12,183,276
LA Economic Marketing Fund	\$852,251
LA Tourism Promotion District	\$23,323,870
Total	\$36,359,397

- The LA Economic Development Fund and Marketing Fund receive dedications of .4% of every sales tax imposition with the exception of the .45% levied in La. R.S. 47:321.1
- The LA Tourism Promotion District receives the .03% of state sales tax levied by La. R.S. 51:1286

State Hotel/Motel Sales Tax Dedications FY 21

\$33,881,636

- Varying amounts of the state sales taxes levied on the taxable service of the furnishing of hotel rooms are dedicated to local tourism and economic development funds.



Merci!
Thank you!

