

# LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

## Minutes of November 14, 2019 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 11:01 AM by Chairman Theriot. A quorum was established with six of the eight members being in attendance. Kimberly Robinson and Jeff LaGrange were absent. Members present were:
  1. Jeanine Theriot (ULSTB)
  2. Darlene Allen (LDR)
  3. Vanessa LaFleur (LDR)
  4. Kelli Jumper (LDR)
  5. Amber Hymel (ULSTB)
  6. Kressynda Krennerich (ULSTB)
  
- II. **Approval of Meeting Minutes from October 10, 2019**
  - A motion was made to approve the meeting minutes from the meeting of October 10, 2019 by Ms. LaFleur and seconded by Ms. Allen. The minutes were unanimously approved without corrections.
  
- III. **Update on Direct Marketer Registrations by LDR**
  - As of the date of the meeting, there are 1,749 active direct marketer registrations approved to file as direct marketers. Registrations are processing smoothly through the LaTAP System.
  
- IV. **Discussion Items:**
  - A. **Remote Sellers Return**
    - Members were provided with a copy of the most recent version of the draft Commission return. Some changes discussed include pages one and two of the return have been reversed. Also, the food and drug exemption is a different rate in several parishes. Several optional exemptions are either completely exempt or are calculated at a reduced rate so columns will be changed. Others include exemptions that will not apply to Remote Sellers and certain exemptions that will which will cause lines to be deleted and or added. An example summary was provided with the sample return to show the flow of how the return will populate with the jurisdiction codes. Luke Morris gave an overview of how the return is structured. Ms. Krennerich suggested that the reduced rate exemptions be placed after the exemptions calculated at the full rate. It was noted that it will be a calculation that will run behind the scenes in the software. The rates received by the Uniform Electronic Local Return and Remittance Advisory Committee (UELRRAC) from the local

jurisdictions will be passed down to the developer as the return is being developed for use in the system.

**B. Software thru LDR**

- Clarence Lymon of LDR gave a brief overview of the process and timeline of requesting and Request for Proposal (RFP) to obtain a software vendor for the Commission. The process can be very lengthy and could take well over a year for the type of system the Commission will need to obtain. The State does however allow state agencies to participate in a national program, NASPO, to obtain a contract with already state approved software vendors. Given the statutory deadline of July 1, 2020 for the Commission to mandate registration and collection, the members agreed this approach is the most feasible to meet the time constraints as set by ACT 360 of the 2019 Regular Legislative Session.

**C. Software Proposal and Presentation from AvenuInsights**

- Nonso Chukwujekuwu of AvenuInsights (Avenu) provided an overview of AvenuInsights business operations and proposal to the Commission for a collection system. Avenu has a presence in all 50 States and works with approximately fifteen thousand local government agencies. Avenu is currently working with the Department of Revenue through the UELRR Advisory Committee as state sales tax returns may be filed through the Parish E-File System. Mr. Chukwujekuwu also gave an overview of the product being requested for the Remote Sellers Commission and how the system would be implemented, operate and flow through to the submission of the return. Ms. Krennerich asked about a timeline to develop the system. Avenu committed to have a system operating by the date of July 1, 2020. Avenu will build off of an existing platform and information they have acquired. Mr. Morris added that currently remote sellers are required to apply and be approved to file as direct marketers prior to filing and asked if this system will allow for that application to be utilized and submitted as well. Mr. Chukwujekuwu answered, yes. Chairman Theriot asked if reports that are generated for local collectors will be provided for reconciliation purposes as well. Avenu answered, yes. Chairman Theriot also asked if the system will be able to handle the expenses of the Commission such as bills, office supplies, etc. Ms. Theriot too then asked how the system will handle short pays where a taxpayer sends in less than the amount due and handle the disbursement to the taxing jurisdictions. Mr. Chukwujekuwu answered that logic will be built in the system during the development process as to where the jurisdiction the disbursements are going to.
- Questions from the public included Mr. Burvant of Jones Walker who asked if any aspects of the system will be designed to tell the vendor the tax to be collected on each sale. Yes, the rate tables will be in the system according to jurisdiction the purchase is made in. Mr. Burvant also asked if the system the Commission is acquiring will be a collection and remittance system only. The answer was yes. Luke Morris clarified that this software is not a Certified

Service Provider and that the local taxing jurisdictions will soon be under notice to provide the Commission with any rate changes within thirty days of the rate change so rates provided will be update as they come in allowing for the correct rates to be used. Mr. Bergeron asked about post production support and whether it is based on a fixed fee or amount of support needed. Avenu answered that it is based on a fixed fee.

- Local Tax Administrator questions included one from Ms. Andries who asked about the expenses and the percentage withheld and distributed to the collectors. Ms. Theriot answered that the expenses will be subtracted prior to the distribution to the local parishes. Ms. Granier asked if the Commission will accept ACH Credits with the previously mentioned short pay issues. Ms. Theriot believes it has been addressed in the rule being promulgated. The rule states that all payments to the Commission shall be submitted electronically by remote sellers on or before the due date. Mr. Morris added that the public hearing for the rule is coming up and it can be addressed at that meeting if needed. Avenu also provided that the distribution would be proportional to the jurisdictions the purchases are made in.
- Redmond Saunier asked due to the restricted timeline to get a system in place if the Commission could get requirements into to Avenu as soon as possible.
- Ms. Theriot asked if Commission members had any concerns with the proposal, and if not were members prepared to accept and vote on the proposal at today's meeting. Ms. LaFleur made a motion to accept the proposal provided by AvenuInsights and was seconded by Ms. Krennerich. All members agreed to accept the proposal. Ms. Theriot then asked for a motion to accept the proposal for a vote. Ms. Allen made a motion to accept the proposal and vote for approval and Ms. LaFleur seconded. With no opposition the proposal was passed.
- Ms. Andries asked for a breakdown of the proposal. Ms. Theriot read aloud the amounts of the proposal issued to the Commission for costs of obtaining a software system as well as yearly costs associated with maintaining the system.

**V. Other Business**

- No other business was discussed by the Commission.

**VI. Public Comment**

- There was no public comment.

**VII. Adjournment**

- The meeting was adjourned at approximately 12:12 PM.