Regular Session, 2011

HOUSE BILL NO. 544

BY REPRESENTATIVE ROSALIND JONES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/SALES & USE: Provides with respect to the definition of "dealer" for state sales and use tax

1	AN ACT
2	To enact R.S. 47:301(4)(m), relative to sales and use tax; to provide with respect to dealers;
3	to provide for certain definitions; to provide a method for reporting and remitting
4	taxes by certain dealers; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 47:301(4)(m) is hereby enacted to read as follows:
7	§301. Definitions
8	As used in this Chapter the following words, terms, and phrases have the
9	meaning ascribed to them in this Section, unless the context clearly indicates a
10	different meaning:
11	* * *
12	(4) "Dealer" includes every person who manufactures or produces tangible
13	personal property for sale at retail, for use, or consumption, or distribution, or for
14	storage to be used or consumed in a taxing jurisdiction. "Dealer" is further defined
15	to mean:
16	* * *
17	(m)(i) Any person who sells the same or substantially similar line of
18	products as a Louisiana retailer under the same or substantially similar business
19	name, or the facilities or employees of the Louisiana retailer are used to advertise or
20	promote sales by the person to Louisiana purchasers, or are used to facilitate returns,

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	issuance of refunds or credits, or adjustments on property sold by the person. The
2	provisions of this Subparagraph apply to any person who holds a substantial
3	ownership interest, directly or through a subsidiary, in a retailer maintaining sales
4	locations in Louisiana; or to any person who is owned in whole or in substantial part
5	by a retailer maintaining sales locations in Louisiana, or by a parent or subsidiary
6	thereof.
7	(ii) For the purposes of this Subparagraph, "substantial ownership interest"
8	in an entity means that degree of ownership of equity interests in an entity that is not
9	less than that degree of ownership specified by Section 267 of the Internal Revenue
10	Code of 1986, as in effect on January 1, 2001, with respect to a person other than a
11	director or officer.
12	(iii) A dealer, as defined in and for purposes of this Subparagraph, shall file
13	tax returns and remittances to the state through the electronic filing option available
14	on the Department of Revenue website, which shall be the central filing and
15	collection point for both state and local sales and use taxes for such dealer.
16	* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Rosalind Jones

HB No. 544

Abstract: Expands the definition of "dealer" to include persons who have certain substantial relationships and similarities with La. retailers.

Present law provides various definitions of "dealer" with respect to sales and use tax law.

<u>Proposed law</u> retains <u>present law</u> but expands the definition of "dealer" to include a person who sells the same or substantially similar line of products as a Louisiana retailer under the same or substantially similar business name, or the facilities or employees of the Louisiana retailer are used to advertise or promote sales by the person to Louisiana purchasers, or are used to facilitate returns, issuance of refunds or credits, or adjustments on property sold by the person. Further provides that <u>proposed law</u> applies to a person who:

- (1) Holds a substantial ownership interest, directly or through a subsidiary, in a retailer maintaining sales locations in La.; or
- (2) Is owned in whole or in substantial part by a retailer maintaining sales locations in La., or by a parent or subsidiary thereof.

Proposed law defines "substantial ownership interest".

<u>Proposed law</u> requires persons who meet the definition of a dealer under <u>proposed law</u> to file tax returns and remittances to the state through the electronic filing option available on the Dept. of Revenue website, which shall be the central filing and collection point for both state and local sales and use taxes for such dealers.

(Adds R.S. 47:301(4)(m))