

LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

APPROVED Minutes of January 12, 2023 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 11:04 AM by Chairperson Clapinski. A quorum was established with seven members in attendance. Members present were:

1. Danielle Clapinski (LDR)
2. Shawn McManus (LULSTB)
3. Kevin Richard (LDR)
4. Kelli Jumper (LDR)
5. Jeff LaGrange (LULSTB)
6. Kressy Krennerich (LULSTB)
7. Luke Morris (LDR)

II. **Approval of Meeting Minutes from December 15, 2022**

- A motion was made by Mr. McManus to approve the meeting minutes from the meeting on December 15, 2022, and seconded by Mr. LaGrange. Following a vote and a call for public discussion, the minutes were approved unanimously by the members present.

III. **Report From Executive Director**

A. Distribution Report

- In December, the Commission collected \$51,643,013.84 for the November 2022 period. \$51,126,582.85 was distributed to the state and local collectors. The number of returns processed in December was 6,396. Of those, 5,796 were for the November 2022 period. As of 12/31/2022, the Commission had 7,767 open accounts.
- The Commission continues to see an increase in the number of returns processed, tax dollars collected and accounts opened. As of the December 2022 collections, the Commission has collected over \$1 billion since it began collecting with the July 2020 tax return period.

B. Budget

- Ms. Roberie presented an updated budget to actual financial report. The Commission's expenditures continue to be under budget as the Commission works to bring on additional staff.

C. Update on Act 685 Report

- The Commission is continuing to work with LDR and the Louisiana Local Uniform Sales Tax Board on gathering the information for the report.
- A conversation ensued about what, if any, approval would be required from the Commission. Mr. Morris explained that the public comment period would open after the report was submitted on January 31, 2023 and that would be the appropriate time for the Commission to discuss and decide via vote if it would like to submit recommendations or comments.

IV. Discussion Items

A. Proposed Increase in Financial Services Contract

- Ms. Roberie reviewed the action taken at the previous month's meeting where a \$40,000 increase was approved for the financial services contract to allow for bank reconciliations to continue. She also reported that bank reconciliations are now being performed in real time.
- Secretary Richard asked what the staff accountant would be starting to do regarding the financials. Ms. Roberie explained that the staff accountant had begun to take over managing the operating account but that the bigger issues P&N were helping with concerned the reconciliation between the system of record, the portal and the bank accounts regarding tax collection and distribution as well as the development of financial policies and procedures that Commission staff could then implement.
- Mr. Freddy Smith with P&N explained the work that had been done with the bank reconciliations between the systems and developing the procedures so that Commission staff can take over and developing the steps to address any differences between the systems. Mr. Don McClean with P&N was also present and discussed the work that P&N was doing for the Commission with the Annual Financial Report.
- Secretary Richard asked for clarification of the total cost to accomplish what the Commission needs for P&N to complete the work. Ms. Smith explained that P&N is sticking to the initial quote which was \$140,000-150,000. Ms. Roberie clarified that the Commission would need to approve an additional \$35,000 to cover the work that needs to be completed.
- Mr. Morris asked for clarification that the work being conducted will address the findings from the Legislative Auditors. Mr. Smith explained that they cannot provide assurance there won't be any findings but they can assure that they are addressing the findings.

B. Executive Director Salary Study

- Mr. McManus proposed that the Human Resources working group look further into the revised salary study that was provided by the consultant and come back with a recommendation at the next Commission meeting.

Ms. Krennerich and Chairperson Clapinski expressed their support of this proposal.

V. Action Items

A. Budget Policy

- Ms. Roberie recapped the budget policy that was presented at the prior meeting with the one change suggested by Ms. Granier at that meeting. A motion was made by Ms. Krennerich to accept the budget policy as presented and Secretary Richard seconded the motion. Following a call for public discussion and a vote, the motion was approved unanimously by the members present.

B. Financial Services Contract Increase

- Mr. McManus made a motion to increase the contract and the budget by \$35,000 and that next month he would like a new proposal of what is needed to complete the work. Mr. Morris seconded the motion. Following a call for public discussion and a vote, the motion was approved unanimously by the members present.

C. Executive Director Salary Study

- A motion was made by Mr. Morris to defer this action item until next month's meeting while the Human Resources working group to vet the updated study and take action to bring a recommendation to the Commission. Ms. Krennerich seconded this motion. Following a call for public discussion and a vote, the motion was approved unanimously by the members present.

VI. Executive Session

- A motion was made by Ms. Krennerich to enter Executive Session to discuss penalty waiver requests from specific taxpayers. Mr. LaGrange seconded the motion. Following a call for public discussion and a vote, the motion to enter Executive Session was approved unanimously by the members present.
- A motion was made by Mr. McManus to reenter the regular meeting from Executive Session and seconded by Mr. LaGrange. Following a call for public discussion and a vote, the motion to exit Executive Session was approved unanimously by the members present.
- A motion was made by Secretary Richard to approve the first three penalty waiver requests as reviewed in Executive Session. The motion was seconded by Ms. Krennerich. Following a call for public discussion and a vote, the motion was unanimously approved by the members present.

VII. Other Business

- No other business.

VIII. Public Comment

- No additional public comment.

IX. Adjournment

- With a motion by Mr. Morris and a second by Mr. McManus, Chairperson Clapinski declared the meeting adjourned at approximately 11:56 AM.