

LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

Minutes of June 10, 2021 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 11:07 AM by Chairperson Allen. A quorum was established with six members in attendance. Members present were:
1. Darlene Allen (LDR)
 2. Jeffery LaGrange (LULSTB)
 3. Kelli Jumper (LDR)
 4. Danielle Clapinski (LDR)
 5. Shawn McManus (LULSTB)
 6. Kressy Krennerich (LULSTB)
- II. **Approval of Meeting Minutes from May 13, 2021**
- After review of the minutes, a motion was made to approve the meeting minutes from the meeting of May 13, 2021 by Mr. McManus, and seconded by Ms. Clapinski. Following a vote, the minutes were approved unanimously by the members present.
- III. **Update on Direct Marketer/Remote Seller Registrations by LDR**
- Ms. Jumper reported that there are currently 3,471 active remote seller registrations with the Commission. Ms. Jumper reported that this number continues to climb.
 - Ms. Jumper also reported that there are currently 2,090 active direct marketer registrations with the Department. She stated that this appears to be a slight decline from the number reported last month.
- IV. **Report from Executive Director**
- A. Distribution Report**
- Ms. Roberie provided a report and updated members on collections to date. The Commission collected \$28,646,775.91 for the month of April with 2,278 returns filed. \$28,360,308 was distributed to the state and local collectors. Total Commission collections to date are \$266,623,377.06 with \$263,957,142.23 having been distributed to state and local collectors.
- B. Budget**
- Ms. Roberie noted a few changes in the budget documents from the prior month that are being considered today. These changes include a modification to the banking fees based on actual information supplied by the bank and the Louisiana State Treasurer's office. The building costs were modified based on

additional information obtained from the Office of Facility Planning and Control which handles state leases. A line was also added for Professional Services so that the Commission can join organizations such as LATA and SEATA. Commission members also indicated that we should consider joining GFOA and the Multistate Tax Commission.

V. Discussion Items:

A. Resale Certificates for Marketplace Sellers

- Chairperson Allen began the discussion by stating that we have received inquiries from a vendor selling to a seller that only sells through a marketplace about the documentation the seller could provide to them regarding when the sales taxes are paid on the transaction. Currently those sellers selling only through a marketplace are not registered with the Commission and therefore there is a lack of a paper trail to confirm that the retailer is purchasing for retail. We need to figure out a reasonable solution for someone that is under the purview of the Commission but needs to be able to provide something to the initial vendor that they can provide to LDR that shows they are not responsible for the sales taxes.
- Ms. Krennerich explained that we already have a hybrid circumstance for those that sell directly and through the marketplace where the portal allows for the remote seller to deduct those sales that were through a marketplace. She suggested that we could have those that are exclusively selling through a marketplace complete a zero return by deducting the total amount of their sales. This would create a paper trail that could be used. Also, if those sellers decided to start selling directly they would already be registered. Chairperson Allen added that because our returns are filed electronically these zero returns would not generate additional work for staff.
- Mr. McManus added that this made sense and asked if this would require us to proactively reach out or if they would need to contact us. Ms. Krennerich added that she believed they would need to reach out to us but an audit of a marketplace could include a review of third party agreements that we could use as a cross reference. Chairperson Allen added that we could do an educational campaign through our website or other means.
- Chairperson Allen said this would need to be a policy document we would draft and also reference the policy document previously issued. We would need to also create a unique resale certificate that would indicate we are expecting zero returns.

VI. Action Items:

A. Budgets for FY 2020-21 and 2021-22

- i. Chairperson Allen called for a motion to approve the FY 2020-21 budget. Mr. Lagrange made the motion and Ms. Krennerich seconded the motion. Chairperson Allen called for additional discussion and public comment, hearing none, the Chair called for a vote. The vote was unanimous by the members present.
- ii. Chairperson Allen called for a motion to approve the FY 2021-22 budget. Chairperson Allen called for additional discussion and public comment. Chairperson Allen also explained that the budgeted amount for building costs had been reduced based on additional information from the Office of State Facilities. Mr. Lagrange made the motion and Mr. McManus seconded the motion. After no further comment, the Chair called for the vote. The vote was unanimous by the members present.

B. Avenu Change Requests

- Ms. Roberie provided a brief review of the change requests being considered:
 - RS-120852; RS-120853: Add overlay on Excess Tax Collected for Shared Domicile Codes – cost \$2,145.00
 - RS-120850: Modify page sub-headings on Registration Document – cost \$825.00
 - RS-120849: Modify page headings on Registration Document – cost \$1,485.00
 - RS-120851: Notify Taxpayers of Account Application and Account Number via Email – cost \$1,485.00
- Ms. Krennerich made a motion to approve the change requests. Chairperson Allen seconded the motion. Chairperson Allen called for additional discussion or public comment, hearing none, the Chair called for a vote. The vote was unanimous by the members present.

C. Travel Policy Statement

- Ms. Roberie read the Travel Policy Statement that was introduced at last month's meeting for consideration and action today: *The Louisiana Sales and Use Tax Commission for Remote Sellers will follow the state travel guidelines (also known as PPM 49) issued by the Division of Administration's Office of State Travel. The Executive Director will approve all staff travel. The Commission Chair will approve the Executive Director's travel. Travel for Commission members beyond their reimbursable expenses for attending Commission meetings will be approved by the Commission. The Executive Director will create the appropriate procedures and forms for approving and reimbursing travel expenses.*
- Ms. Roberie added that she has spoken with the Office of State Travel and this statement is what they need from the Commission. They will require more from us when we move forward with the LaCarte program and adding the

travel option through that program to cover travel expenses such as airfare, registration and hotel costs on the LaCarte purchasing card. The Office of State Travel granted the Commission an exemption from covering those large expenses until we have adequate staff and training to participate in the LaCarte program.

- Ms. Clapinski asked about the Commission's placement within LDR for this travel and how that relationship could potentially impact the Department's compliance with travel regulations. Ms. Roberie explained she had consulted with LDR's Undersecretary as well as the Office of State Travel and it was determined the way to proceed was for the Commission to pay the travel expenses directly using the forms contained in PPM 49. Ms. Roberie also offered to reach out to the Legislative Auditor's office to determine if there was anything else we needed to do in order to ensure we were in compliance with state travel regulations.
- Mr. Lagrange made a motion to approve the travel policy statement pending any changes the Legislative Auditor's office may have when Ms. Roberie speaks with them. Ms. Krennerich seconded the motion. Chairperson Allen called for additional discussion and public comment. Mr. McManus inquired about using resolutions for items such as this. Chairperson Allen said that the Commission had not used resolutions before but it was something we could look into in the future. Hearing no additional discussion and public comment, the chair called for a vote. The vote was unanimous by the members present.

VII. Election of Chairperson and Vice-Chairperson for FY 2021-22

- A.** Chairperson Allen reminded the Commission that when the Commission first organized it was determined that the Chairperson and Vice-Chairperson would rotate between a state and a local representative each year. Therefore, the next Chairperson would be a local representative and the Vice-Chairperson would be a state representative.
- Ms. Krennerich made a motion to nominate Mr. Lagrange as the chairperson for FY 2021-22 and Chairperson Allen seconded the motion. Chairperson Allen called for additional discussion or public comment, hearing none, the chair called for a vote. The vote was unanimous by the members present.
 - Ms. Jumper made to a motion to nominate Ms. Clapinski as the vice-chairperson for the FY 2021-22 year. Mr. McManus seconded the motion. Chairperson Allen called for additional discussion or public comment, hearing none, the chair called for a vote. The vote was unanimous by the members present.

VIII. Other Business

- A. Mr. Lagrange brought up the prior discussion about having the Commission meetings at the same location as the Uniform Board meeting. Chairperson Allen said that there is a committee room available at the Board's new office location that would be a possibility for the Commission's meetings. Ms. Krennerich stated that she would like to get the details about having the meetings at the Office Park location including the cost to have the meeting at that location. She added that it would be more convenient for those Commissioners that also sit on the Board to reduce their travel between locations on meeting days as well as the ability to use the same technology to broadcast the meetings that the Uniform Board is using. Mr. McManus stated that he was also interested in having Commission meetings at the Office Park location.
- B. Danell Gerchow with LDR asked about the space that Commission staff are currently occupying in the LaSalle building and what our long-term plans are for that space because she may have need of the space soon. Chairperson Allen explained that we are outgrowing the space we are currently occupying in the LaSalle. Ms. Roberie stated that she was looking for long-term space and was actually going to tour some available space in the building that the Uniform Board is now located in after the Board meeting today.

IX. Public Comment

- No additional public comment.

X. Adjournment

- With a motion by Ms. Jumper and a second by Ms. Krennerich, Chairperson Allen declared the meeting adjourned at approximately 11:48 AM.