

# LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

## Minutes of April 8, 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 11:03 AM by Chairman 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. Amanda Granier (LULSTB)
  6. Shawn McManus (LULSTB)
- II. **Approval of Meeting Minutes from March 11, 2021**
- After review of the minutes, a motion was made to approve the meeting minutes from the meeting of March 11, 2021 by Mr. McManus, and seconded by Ms. Granier. The minutes were approved unanimously with one minor correction noted by Mr. McManus on page 3.
- III. **Update on Direct Marketer/Remote Seller Registrations by LDR**
- Ms. Jumper reported that there are currently 3,066 active remote seller registrations with the Commission.
  - Ms. Jumper also reported that there are currently 2,205 active direct marketer registrations with the Department.
- IV. **Report from Executive Director**
- A. **Distribution Report**
- Ms. Roberie provided a report and updated members on collections to date. The Commission collected \$24,262,499.34 for the month of February with 1,957 returns filed. \$24,019,874.21 was distributed to the state and local collectors. Total Commission collections to date are \$202,629,843.96 with \$200,603,545.01 having been distributed to state and local collectors.
  - Ms. Roberie noted that to date the Commission has processed over 10,000 returns.
  - Mr. Mcmanus inquired about the filing statuses that are offered to taxpayers. Chairman Allen confirmed that only a monthly return is available.

## **B. Budget**

- Ms. Roberie referred the Commission members to the report attached that compares a proposed budget to the actual expenditures incurred to date along with what has been reimbursed to the Department of Revenue.

## **V. Discussion Items:**

### **A. Signatory Authority for Contracts by Amount**

- Chairman Allen explained that the Office of State Procurement needs signatory authority for contracts by amount instead of by individual contracts. She further explained that these contracts would be contracts that had already been authorized by the Commission members. Ms. Roberie added that it was also an option that the Commission give the Executive Director authority to sign all contracts without dollar amount restrictions.
- Mr. McManus said that he felt the Executive Director should be able to act on contracts that the Commission has already vetted and approved. Mr. Lagrange agreed with Mr. McManus that if the Commission has already approved entering into the contract then the Executive Director should be able to go ahead and execute the contract. Chairman Allen confirmed that it was the intent that the Executive Director only enter into contracts that the Commission has approved.
- It was determined that the Commission would consider a policy that authorized the Executive Director to execute and sign contracts that the Commission has approved.
- Ms. Clapinski suggested that we amend the agenda to include an action item to allow the Executive Director to sign the legal services contracts that are in the process of execution and approval, then take up the broader policy regarding all contracts at the next meeting following the Commission's routine policy of discussing one month and taking action the next.
- Ms. Granier made a motion to modify the agenda to add an action item to give the Executive Director the authority to sign the legal services contracts. Ms. Clapinski asked to modify the motion to add that the authority is to sign the contracts in accordance with what was approved by the Commission at a previous meeting. The motion was seconded by Ms. Jumper. Chairman Allen called for additional discussion or public comment, hearing none, the chair called for a roll call vote. The vote was unanimous by the members present.

### **B. Position Descriptions**

- i. Chairman Allen stated that the Commission has been operating with three staff – the Executive Director and two tax specialists. She stated that we would like to begin expanding staff by filling an accountant and a compliance/tax officer position. She stated that these positions would be filled using classified job appointments that the Department of Revenue currently has available. Chairman Allen asked the Commission members for any feedback on the position descriptions that were distributed and posted prior to the meeting. Ms. Granier offered feedback on the position duties. Ms. Roberie will use the feedback to modify the position descriptions. Mr. Lagrange noted that the position descriptions contain “performs other duties” that can be used as the positions evolve. Chairman Allen added that eventually we also want to expand the staff to include an auditor, compliance manager and an additional tax specialist.
- ii. Chairman Allen made a motion to amend the agenda to add an action item for a vote to allow the two positions to be posted. Ms. Granier seconded the motion and asked to amend the motion to allow for the third specialist as well. Chairman Allen amended her motion to allow for three positions to be posted. Ms. Granier seconded the motion. Chairman Allen called for discussion and public comment. Mr. McManus asked if they needed to see the job description for the third position. Ms. Granier said that is an existing position description for the two currently filled tax specialist positions. Chairman Allen then called for a roll call vote. The vote was unanimous based on the members present.

### **C. Budget**

- i. Ms. Roberie discussed the following notes regarding the proposed budgets for FY 2021-22 and the current year which includes actual costs to date and projected costs through 6/30/2021 that was sent to the members prior to the meeting (see attached).
  - VI. FY 2021-22 Budget
    - a. Ms. Roberie explained that she expects this budget to require amendments as we learn more about what our actual costs are including cost sharing, charges for entities such as the Office of State Procurement, Civil Service, and the Office of Technology Services.
    - b. Revenue – this is based on an average of \$225,000 a month. However, our actual current average is in excess of \$250,000.
    - c. Personnel Costs– based on 8 positions (insert grid). Salaries are budgeted based on the 3<sup>rd</sup> quartile of Civil Service ranges. Benefits were calculated using 41.5% of salary which is based on what the Office of State Budgeting uses

for employees covered under LASERS and the Office of Group Benefits (Commission staff will also be covered under LASERS and OGB). The Executive Director's salary is based on the amount approved at the July 9, 2020 Commission meeting.

- d. Travel Costs– the \$5000 is currently a placeholder until we can determine what expected travel costs for commission members and staff will be.
- e. Operating Costs
  - i. Information Technology – based on current IT costs but will need to be increased based on the additional staff expected.
  - ii. Equipment – covers the copier/printer
  - iii. Software – covers QuickBooks, Adobe Acrobat Pro, ACH file creation software
  - iv. Telephones – based on current actual costs
  - v. Payroll Services – based on one estimate we have received. We will be receiving an additional estimate before next month's meeting.
  - vi. Rent and Building Costs – The Office of State Buildings has determined that the Commission is eligible to rent space in a state building. This cost is based on the square footage cost that LDR pays combined with recommended square footage per person based on Office of State Buildings recommendations. This was calculated based on 5 people but is a very rough estimate and we will need additional information based on space they may have available.
  - vii. LDR Staff Support – our MOU with LDR allows the LDR to bill the Commission for support costs. The amount included is a placeholder for charges that LDR might charge the Commission.
  - viii. Supplies – this is a placeholder.
  - ix. Banking Fees – this needs to be added to the budget.
- f. Professional Services
  - i. Legal/Policy Services - The first \$100,000 is for the two legal services contracts. The \$30,000 is a placeholder for any charges LDR might charge the Commission for policy services.
  - ii. Financial Services – placeholder for audit and annual financial report costs.

- g. System Development – would include the additional bucket of hours as well as a placeholder for dollars not yet expended in the current year under the initial contract.

VII. Avenu Expenditures

- a. The original contract was for \$493,860.42. Avenu has been paid \$380,731.24 by LDR. The Commission has reimbursed all but \$159,656.24 of what LDR paid. The Commission will reimburse that amount upon receiving an invoice from LDR. There is \$113,129.18 remaining on the original contract.
- b. The annual licensing/maintenance contract for Avenu for FY 2020-21 is \$95,450. This has been paid by LDR and reimbursed to LDR from the Commission.
- c. There is an additional \$49,500 approved and \$99,000 pending to cover the current changes orders that have been approved by the Commission as well as future change orders.

VI. **Action Items:**

**A. Authority for the Executive Director to Sign the Legal Services Contracts**

- Mr. McManus made a motion to authorize the Executive Director to sign the legal services contracts. Ms. Granier seconded the motion. Chairman Allen called for additional discussion or public comment, hearing none, the chair called for a roll call vote. The vote was unanimous by the members present.

**B. Authority to Post Three Positions for Hiring**

- Ms. Granier made a motion to authorize the Executive Director to post three positions (tax officer, tax specialist and accountant), Mr. Lagrange seconded the motion. Ms. Clapinski asked for clarification that these are classified positions posted through Civil Service. Chairmen Allen confirmed that the information we have at this time is that the staff would be classified civil service employees. Chairman Allen called for additional discussion or public comment, hearing none, the chair called for a roll call vote. The vote was unanimous by the members present.

VII. **Other Business**

- Mr. McManus commented that based on the Commission's cash flow it would appear that we are able to reimburse LDR fully at this time and that he would like to see us get that done. Chairman Allen commented that is correct and that she has requested a bill from LDR to allow us to pay the remaining outstanding obligations. Chairman Allen asked Ms. Roberie about the status of the Avenu bills. Ms. Roberie replied that the \$159,656.24 has been paid to Avenu and we are waiting for LDR to bill us to repay it. There was also an

additional change order bill submitted by Avenu in the amount of \$41,250 that is currently being processed by LDR.

- Chairman Allen recognized the policy work that has been done by Mr. Lagrange regarding penalty waivers to help us move forward with that policy creation. Ms. Clapinski added that we should also have a formal written policy regarding the contracts that the Executive Director will be able to sign.

**VIII. Public Comment**

- No additional public comment.

**IX. Adjournment**

- With a motion by Ms. Granier and a second by Ms. Jumper, Chairman Allen declared the meeting adjourned at approximately 12:20 PM.

2020-21 Louisiana Sales and Use Tax Commission for Remote Sellers Proposed Budget			Actual as of 3/29/2021	Remaining Budget	Reimbursed to LDR	Outstanding to LDR
<b>Revenues</b>						
	1% Commission Fee	\$ 2,700,000.00	\$ 1,783,673.82	\$ 916,326.18		
<b>Expenditures</b>						
	Personnel	\$ 370,000.00	\$ 215,896.37	\$ 154,103.63	\$ 139,798.37	\$ 76,098.00
	Travel	\$ -				
	<b>Operating</b>	\$ 63,300.00	\$ 37,426.11	\$ 25,873.89	\$ 14,123.93	\$ 23,302.18
	IT	\$ 41,600.00	\$ 28,009.98	\$ 13,590.02	\$ 9,549.98	\$ 18,460.00
	Equipment (non-IT)	\$ 4,500.00	\$ 4,554.29	\$ (54.29)		\$ 4,554.29
	Software	\$ 5,000.00	\$ 4,666.76	\$ 333.24	\$ 4,573.95	\$ 92.81
	Telephones	\$ 1,700.00	\$ 195.08	\$ 1,504.92		\$ 195.08
	Payroll Services	\$ 500.00		\$ 500.00		
	Rent/Bldg costs	-				
	LDR Staff Support	\$ 10,000.00		\$ 10,000.00		
	<b>Supplies</b>	\$ 1,000.00	\$ 75.46	\$ 924.54		\$ 75.46
	<b>Professional Services</b>	\$ 51,000.00	\$ -	\$ 51,000.00	\$ -	\$ -
	Legal/Policy Services	\$ 25,000.00		\$ 25,000.00		
	Financial Services	\$ 26,000.00		\$ 26,000.00		
	<b>System Development/Maintenance</b>	\$ 638,810.42	\$ 476,181.24	\$ 162,629.18	\$ 316,525.00	\$ 159,656.24
	Avenu Annual	\$ 95,450.00	\$ 95,450.00	\$ -	\$ 95,450.00	\$ -
	Avenu Development	\$ 543,360.42	\$ 380,731.24	\$ 162,629.18	\$ 221,075.00	\$ 159,656.24
	<b>TOTAL EXPENDITURES</b>	\$ 1,124,110.42	\$ 729,579.18	\$ 394,531.24	\$ 470,447.30	\$ 259,131.88

**2020-21 Proposed Budget**  
**Louisiana Sales and Use Tax Commission for Remote Sellers**

**Revenues**

1% Commission Fee	\$	2,700,000.00
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**Expenditures**

<b>Personnel</b>	<b>\$</b>	<b>370,000.00</b>
<b>Travel</b>	<b>\$</b>	<b>-</b>
<b>Operating</b>	<b>\$</b>	<b>63,300.00</b>
IT	\$	41,600.00
Equipment (non-IT)	\$	4,500.00
Software	\$	5,000.00
Telephones	\$	1,700.00
Payroll Services	\$	500.00
Rent/Building costs	-	
LDR Staff Support	\$	10,000.00
<b>Supplies</b>	<b>\$</b>	<b>1,000.00</b>
<b>Professional Services</b>	<b>\$</b>	<b>51,000.00</b>
Legal/Policy Services	\$	25,000.00
Financial Services	\$	26,000.00
<b>System</b>		
<b>Development/Maintenance</b>	<b>\$</b>	<b>638,810.42</b>
Avenu Annual	\$	95,450.00
Avenu Development	\$	543,360.42
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>1,124,110.42</b>

**2021-22 Proposed Budget**  
**Louisiana Sales and Use Tax Commission for Remote Sellers**

**Revenues**

1% Commission Fee \$ 2,700,000.00

**Expenditures**

<b>Personnel</b>	<b>\$ 900,000.00</b>
<b>Travel</b>	<b>\$ 5,000.00</b>
<b>Operating</b>	<b>\$ 201,700.00</b>
IT	\$ 60,000.00
Equipment (non-IT)	\$ 4,500.00
Software	\$ 5,000.00
Telephones	\$ 2,200.00
Payroll Services	\$ 3,000.00
Rent/Bldg costs	\$ 117,000.00
LDR Staff Support	\$ 10,000.00
<b>Supplies</b>	<b>\$ 5,000.00</b>
<b>Professional Services</b>	<b>\$ 205,000.00</b>
Legal/Policy Services	\$ 130,000.00
Financial Services (audit, fin stmts)	\$ 75,000.00
<b>System Development/Maintenance</b>	<b>\$ 345,450.00</b>
Avenu Annual	\$ 95,450.00
Avenu Development	\$ 250,000.00
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,662,150.00</b>

**NOTES:**

- Annual Revenue is based on \$225,000 from the 1% Commission fee. The current monthly average is \$254,810.
- Personnel costs for the 2020-21 budget include hiring an accountant and a compliance/tax officer position for 4 pay periods.
- Personnel costs for the 2021-22 budget are based on having 8 positions filled (Executive Director, 3 Tax Specialists, Accountant, Compliance Position/Tax Officer, Auditor, Compliance Supervisor)