



Louisiana Uniform Local Sales Tax Board

Minutes of the Regular Meeting
Thursday, August 11, 2022 ~ 1:30 PM
LAMPERS Building, First Floor Executive Conference Room
7722 Office Park Blvd. Baton Rouge, LA 70809

Zoom Link: https://us06web.zoom.us/j/93955109963?pwd=WS9vbTRwaW0ycUkySDU1aFBlc3Q1UT09
Meeting ID: 939 5510 9963 Passcode: 663831

MEMBERS & PROXIES PRESENT (P) / ABSENT (A):

Members:

- Dr. Janet Pope, LA School Board Executive Director __A__
Mike Ranatza, LA Sheriff's Association Executive Director __A__
John Gallagher, LA Municipal Association Executive Director __A__
Guy Cormier, Police Jury Association of Louisiana Executive Director __A__
Amanda Granier, LA School Board Association Appointee __P__
Shawn McManus, LA Sheriff's Association Appointee __P__
Kressy Krennerich, LA Municipal Association Appointee - Chairman __P__
Jeffery LaGrange, Police Jury Association of Louisiana Appointee - Vice Chairman __P__

Proxies:

- Neshelle S. Nogess, LA School Board Association, Secretary __A__
_____, LA Sheriff's Association (Vacant) __A__
Karen Day White, LA Municipal Association __A__
Deborah Henton, Police Jury Association of Louisiana __A__

STAFF PRESENT:

- Clarence Lymon, Executive Director __P__

OTHERS PRESENT:

- Rick Mekdessie, Board Technology Consultant
Andrew Kolb, Board Counsel
Renee Roberie, Remote Sellers Commission
Darlene Allen, Louisiana Association of Tax Administrators
Gary Dressler, Postlethwaite & Netterville
Administrators/Others participating via the Zoom Web Conferencing platform.

Each member of the Board received the following documents prior to the meeting:

- 1. 8/11/2022 Meeting Agenda
2. 6/23/2022 Meeting Minutes
3. 7/31/2022 Financial Statements
4. FY 2023 YTD Budget through 7/31/2022
5. Bill Payments Month Ending 7/31/2022
6. Banking Resolution

1. Roll Call

Chairman Krennerich called the meeting to order at 1:42PM. Acting Secretary McManus called the roll and a quorum (5 members / proxies or more) was not established. With no quorum present, Chairman Krennerich proceeded to the information items on the agenda.

4. Remote Seller Commission Update

Renee Roberie, Executive Director of the Louisiana Remote Sellers Commission, provided an update on monthly collections through June 2022, distributed in the month of July 2022.

New Executive Director

Chairman Krennerich introduced the Board's new Executive Director Clarence Lymon, who thanked the Board for his selection, stated how he felt his past experience in various sales tax positions with the State of LA made this a good fit, and expressed his appreciation for the assistance received from former Executive Director Roger Bergeron during his transition.

A quorum was reached at 1:49pm with the arrival of Ms. Karen White, proxy for John Gallagher.

2. Adoption of the Agenda

ON MOTION OF Shawn McManus, SECONDED BY Jeff Lagrange, AND CARRIED, the Board voted to adopt the agenda of the August 11, 2022 meeting of the LA Uniform Local Sales Tax Board.

ON MOTION OF Amanda Granier, SECONDED BY Karen White, AND UNANIMOUSLY CARRIED by roll call vote, the Board voted to move the following Policy Consideration item to an Action item:

- ACT 87 Interest & Penalty Changes

ON MOTION OF Karen White, SECONDED BY Jeff Lagrange, AND UNANIMOUSLY CARRIED by roll call vote, the Board voted to adopt the amended agenda.

3. Approval of the Minutes of the LA Uniform Local Sales Tax Board Held June 23, 2022

As the minutes were not available in enough time for all to review prior to the meeting, Chairman Krennerich requested their approval to be deferred to our next meeting.

5. Policy Advice Considerations

Nursing Home Food Purchases

Board Counsel Kolb addressed a policy position requested by a parish Collector regarding the taxability of food purchases made by nursing homes. Mr. Kolb outlined a history of the issue, its related statutes, and manner in which these meals are generally charged to nursing home residents. He also confirmed the Board's efforts to work with the State to ensure any differences in opinion are specifically explained. Chairman Krennerich stated that the Board is aware this matter is presently in litigation with several parishes, but that the request was not from a Parish presently involved in these suits. The Board will follow its policy to reply to the requesting party first, and then will ask local collectors to review the draft and submit comments before formally approved.

ACT 87 Penalty Changes

Board Counsel Kobb addressed a policy draft provision regarding changes made by Act 87 of the 2022 Regular Session in the manner penalties are calculated on delinquent taxes. Chairman Krennerich explained that the urgency to address these matters reflected the importance of them in that many entities such as Collectors, collection websites, and software vendors will have much work to do to be ready to enact the changes correctly and in timely fashion.

ON MOTION OF Shawn McManus, SECONDED BY Amanda Granier, AND UNANIMOUSLY CARRIED by roll call vote, the Board voted to adopt the Penalty Policy Advice pursuant to changes made by Act 87.

ACT 87 Interest Changes

Board Counsel Kolb then addressed a policy draft provision regarding changes made by Act 87 in the manner interest is calculated on delinquent taxes. ACT 87 now sets a ceiling of 1% per month or 12% annually, which is below the present interest rate levels of more than half of the local collectors, 43 of 63, in the state. It was also clarified that the old rate established by historical jurisprudence of 15% should continue to be assessed for taxes that are due prior to the effective date of this Act, January 1, 2023. December 2022 returns will therefore fall under the new rate established since they become due in January 2023.

ON MOTION OF Jeff Lagrange, SECONDED BY Amanda Granier, AND UNANIMOUSLY CARRIED by roll call vote, the Board voted to adopt the Interest Policy Advice pursuant to changes made by Act 87.

6. Executive Director's Report

ACT 669 Legislative Auditor Reporting

Director Lyman addressed the subject of Act 669, which seeks to determine costs of local sales tax collection and amounts retained by collectors to perform this duty. The Act requires the LA Legislative Auditor (LLA) and the LULSTB to work together to develop reporting standards for local collectors to use in an effort to provide consistent answers. Director Lyman stated that he has already reached out to the LLA to begin this process. The Act's reporting deadlines begin in 2023/2024, but has been the subject of some confusion by many local collectors following a request from the LLA in recent weeks for similar information. Concerns exist as to the manner in which these early submissions are made since a consistent manner of reporting has not been established, and can be affected by the type of agency or commission that collector represents.

Banking Resolution

Director Lyman presented a resolution that will update the banking information for the Board to reflect its current director and officers.

ON MOTION OF Shawn McManus, SECONDED BY Jeff Lagrange, AND CARRIED, the Board voted to approve the banking resolution.

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7. Financial Reports

Director Lyman presented the financial reports for the month and year to date ending 7/31/21.

ON MOTION OF Amanda Granier, SECONDED BY Karen White, AND CARRIED, the Board voted to receive the financial reports and approve the bill payments for the month ending July 2022 as presented.

Other Business

Mr. Luke Morris, Counsel with the Louisiana Department of Revenue, addressed the Board. He shared that the State appreciates the Board bringing the Nursing Home policy advice to their attention and looks forward to working with the Board to flesh out any issues, and determine how it may apply to State sales tax.

Adjournment

ON MOTION OF Shawn McManus, SECONDED BY Jeff Lagrange, AND CARRIED, the Board voted to adjourn at 2:41PM.