

Introduction

Act 669 of the 2022 Regular Legislative Session enacted [R.S. 47:337.14.1](#) which requires the legislative auditor (LLA) and the Louisiana Uniform Local Sales Tax Board (LULSTB) to develop “a uniform reporting schedule for audit reports for all entities that serve as the single sales and use tax collector for all taxing authorities within a parish that are compensated based on the cost of collection (Collectors) that requires the reporting of information to provide a more complete and accurate understanding of how local sales and use taxes are collected and disbursed to local taxing authorities and the actual cost of collecting local sales and use taxes by Collectors.”

General Requirements

To satisfy the requirements of the Act, the LLA and the LULSTB have developed the Schedule of Collections, Distributions, and Costs of Collection (Schedule). The Schedule is required to be prepared on the **cash basis** of accounting and should include amounts for the Collector’s entire fiscal year. The Schedule should be reported in the Supplementary Information section of the audit reports of all Collectors beginning for fiscal years ending on or after December 31, 2023. All amounts should be entered as positive numbers. If no amount, then report 0.

The Schedule that appears in the audit report is required to utilize the exact wording as the Schedule of Collections, Distributions, and Costs of Collection, however, it may be reformatted for presentation purposes in the audit report (font, indentation, eliminate line numbers, etc.). No disclosures are *required*, but Collectors may *choose* to disclose additional information they determine may be useful to readers.

Instructions

The following information provides guidance and instructions for reporting the required data in each section of the Schedule:

1. **Collections** – Report on separate lines the amounts of all taxes, interest, penalties and fees received by the Collector during the fiscal year and the total of amounts received and held in escrow.
 - a. **Sales and Use Taxes** – Report the amount of sales and use taxes received from taxpayers, including amounts received and held in escrow.
 - b. **All Other Taxes** – Report amounts of all taxes collected other than sales and use taxes, such as hotel/motel taxes, occupational licenses, ad valorem taxes, etc., including amounts received and held in escrow.
 - c. **Interest** – Report amounts of statutorily required interest on delinquent tax payments paid by taxpayers.
 - d. **Penalties** – Report amounts of statutorily required penalties paid by taxpayers, such as for delinquent tax payments, amounts awarded by a court of law due to a taxpayer’s negligence, etc.
 - e. **Fees** – Report indemnification amounts received from taxpayers reimbursing the Collector for enforced collection and audit actions undertaken, such as NSF fees, lien filing fees, court filing fees, etc.
 - f. **Less Collections Received and Held in Escrow** – Report the total of all amounts received from taxpayers which are held in escrow and thus not distributed (i.e. amounts paid in protest or disputed).
2. **Amounts Disbursed to Each Local Taxing Authority (Net of Collection Costs)** – List on a separate line the name of each local taxing authority, percent of sales and use tax assessed, and the total amount disbursed to each local taxing authority during the fiscal year, including amounts collected for the Collector’s own entity (i.e., amounts collected by a school board for the school board). Amounts should be reported **net of collection costs**, since collection costs are reported separately in Part 4.
3. **Total Amount Retained By Collector** – Total collections (Part 1) less total amounts disbursed to each local taxing authority (Part 2).

4. **Amounts Disbursed for Costs of Collection** – Costs of collecting the amounts reported in Part 1 reported in four classifications:
 - a. **Collector Employee Salaries** – Salaries paid to Collector’s own employees who perform tax- related administrative and enforcement activities. Amounts included here are for those employees who work directly for the Collector and are not considered contractors. If an employee performs tax-related activities and other activities, report only the portion of salary to perform the tax-related activity (i.e. if an employee spends 70% of his/her time on tax-related activities and 30% on other activities, then report 70% of that employee’s salary).
 - b. **Collector Employee Benefits** – The cost of employee benefits paid by the Collector related to the salaries reported on line 4.a., such as employer share of payroll and unemployment taxes, retirement, health insurance, workers compensation insurance, etc.
 - c. **Contracted Collector Services** – Amounts paid by the Collector for professional services rendered by third parties in support of and to assist with the administrative and enforcement activities pursued by the Collector, such as contracted collector services, attorney fees, auditing services, IT services, amounts paid to collection agencies, etc.
 - d. **All Other Costs of Collection** – The total of all other costs not reported on lines a, b, and c above and related to the costs of collecting amounts listed in Part 1, such as for operations, supplies, travel, capital outlay, etc. Total all amounts and report on one line (do not list other costs separately).

5. **Balance In Excess (Deficiency) of Collector’s Costs** – Line 3, Total Amount Retained by Collector, less the total amount reported in Part 4, Amounts Disbursed for Costs of Collection.

For any additional questions please contact Barry O. Kelly, MBA, CIA, at bkelly@lla.la.gov or (225) 339-3831.