

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Appointed Members:

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Amanda Granier
Jeffery Lagrange

Gregory A. Ruppert, Chairperson



Permanent Members:

Dr. Janet Pope
John A. Gallagher
Guy Cormier
Michael A. Ranatza

Roger Bergeron, Executive Director

June 12, 2020

FY 2020-21 Budget Message

Members of the Board,

In accord with LA RS 39:1305 C. (1), please find below a summary of the major categories related to the Board's budget proposal for the fiscal year 2020-2021.

Details for any particular line can be provided upon request. Several of those details have been provided in previous Board meetings at which the preliminary budget projections were presented and a request was made for any feedback and/or suggested revisions.

Revenues

As a result of the LA Supreme Court decision in case No. 2019-CA-00878 the Board cannot utilize the revenue stream sourced to RS 47:337.102(I).

At the time this budget proposal is under consideration, an Agreement for Services and Funding is under consideration by the sixty-three (63) single local sales tax collectors throughout the state. Terms of the agreement require approval of at least eighty-five percent of the collectors for the funding proposal to take effect.

Until and unless that threshold has been attained, and the Board's funding source established therein is assured, the Board plans to operate on its estimated fund balance on 7/1/2020 for coming new fiscal year.

Promoting uniformity and efficiency of imposition, collection, and administration of local sales and use taxes.

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Personal Services and Employee Benefits:

The Executive Director continues to be the Board's only active employee. An additional budget slot for a part-time Administrative Assistant is included as was in the prior year, but budgeted for as a part-time position. The Executive Director has requested a voluntary decrease in salary in order to devote resources to other Board needs, in particular towards achieving the Board's objective that involve technological solutions in the advancement of local sales tax administration.

Professional and Technical Services

Legal services projected expenditures are based on an average of legal work attributed to general matters in the current fiscal year. A reduction from the prior year appropriation is due to the conclusion of aforementioned lawsuit in which the Board was a defendant.

Accounting and auditing projected expenses are based on the prior year experience associated with the Board's current accounting service and external annual audit firm service providers.

Other professional services are estimated for contractual work provided by the Board's Research Analyst (\$24,000) and retaining a Technology Consultant (\$48,000). A slight increase in website hosting and maintenance is attributed to the addition of the VDA program and its on-going maintenance.

Last year's budget anticipated request for proposals to establish certain computerized collection and remittance projects. At this time, the primary allocation for Technology classification is limited to that of the licensing agreement with Watch Systems for an API in conjunction with the Board's Look-Up program. Any new technology initiatives will require identification and appropriation during FY 20-21.

Purchased Property Services, Other Property and Services

As has been the case since the 19th JDC rendered its decision in February 2019 in the matter of West Feliciana, et. al. v. the Office of Public Safety, et.al., the lack of certainty in the Board's funding stream

has made it difficult to engage in a commercial lease of immovable property in the domicile of the Board. Such leases often require a financial commitment of a minimum of three years, without a “non-appropriation escape” clause as could be available in the case of a state-owned building.

Nevertheless, even though the Board’s permanent funding mechanism is still unsettled at this date, this budget proposal will contain line item appropriations for anticipated costs (rent, miscellaneous supplies, etc.) associated with an office operation. A budget adjustment may be required is office furniture is not included with the leased space.

The allocation for Travel for FYE21 is more in line with the actual FY19-20 experience than the amount budgeted for the prior year.

The Training and Education budget is predicated on two on-site seminars but without the social activities that were held in conjunction with prior year classes.

Summary

I believe the budget proposal presented for your consideration today fairly reflects the status of the Board’s operational position entering into the new fiscal year.

Of course, should the Board Funding and Service Agreement proposal become a certainty, a re-evaluation of the Board’s operating conditions and long-term planning would be in order and budget adjustments would be permissible under the Local Governmental Budget Act.

Respectfully submitted:

/s/ J. Roger Bergeron

Executive Director

