



CADDO-SHREVEPORT

SALES AND USE TAX COMMISSION



Office of the Administrator
PHONE (318) 865-3312 – FAX (318) 865-1838

April 27, 2022

Caddo Parish School Board
P.O. Box 32000
Shreveport, LA 71130

City of Shreveport
P.O. Box 31109
Shreveport, LA 71130

LETTER OF TRANSMITTAL

Section 7, of the JOINT AGREEMENT FOR COLLECTION OF SALES AND USE TAXES (as amended) between the Caddo Parish School Board and the City of Shreveport, executed on April 20, 1980, reads as follows:

"7.
Budgets

The fiscal year of the Commission shall be July 1 through June 30. On or before the first day of May of each year the Commission shall submit its proposed budget for the ensuing fiscal year to the City Council and School Board for approval or rejection. Said action by the City Council and School Board shall take place by no later than June 15. If circumstances require, amendments to the budget which exceed the total budgetary authorization shall be effected at any time in the same manner as provided for the adoption of the original budget. Adjustments within the budget which do not exceed the total budgetary authorization may be made by the Board of Commissioners at any time."

In accordance with the joint agreement and local ordinances, please arrange to have this budget placed on the agenda for consideration by the Caddo Parish School Board and City of Shreveport City Council.

Sincerely,

A handwritten signature in blue ink that reads "Phillip R. Jackson".

Phillip R. Jackson, CTE
Administrator

CADDO SHREVEPORT

SALES AND USE TAX

COMMISSION

2022-2023

BUDGET

Our Mission

The purpose of the Caddo-Shreveport Sales and Use Tax Commission is to collect the proper amount of tax revenue at the lowest possible cost to those we serve, and in a manner that warrants the highest degree of confidence in our integrity, efficiency, effectiveness and fairness. To achieve that purpose we will:

Encourage the highest possible level of voluntary compliance with state and local tax laws and regulations;

Educate and advise dealers of their responsibilities and rights;

Determine the extent of compliance and causes for noncompliance;

Do all things necessary for the proper administration and enforcement of the tax laws;

Continually search for and implement new, more efficient and effective ways of accomplishing our mission.

proudly serving the

Caddo Parish School Board

Law Enforcement District of Caddo Parish

City of Shreveport

Town of Blanchard

Town of Greenwood

Town of Mooringsport

Town of Oil City

Town of Vivian

Village of Rodessa

Village of Ida

Sales Tax District No. 1 of Caddo Parish

North Caddo Hospital Service District

Caddo Fire District No. 1

Caddo Fire District No. 3

Shreveport-Bossier Convention and Tourist Commission

Village of Hosston

TABLE OF CONTENTS

A.	COVER PAGE	1
B.	OUR MISSION	2
C.	TABLE OF CONTENTS	3
D.	BOARD OF COMMISSIONERS	4
E.	OPERATING BUDGET-EXPENDITURES	5-7
F.	OPERATING BUDGET-REVENUE	8-9
G.	CAPITAL OUTLAY BUDGET	10
H.	NARRATIVE SUMMARY	11-12
I.	ORGANIZATION CHART	13
J.	DETAILED BUDGET	14-21
K.	CHART OF ACCOUNTS	22

2022

BOARD OF COMMISSIONERS

Mr. Jeff Howard
Chief Financial Officer
Caddo Parish School Board

Ms. Kelli Duffield
Chief Auditor
Caddo Parish School Board

Mr. Kasey Brown
Interim Chief Financial Officer
City of Shreveport

Mr. Henry Whitehorn
Chief Administrative Officer
City of Shreveport

Commission Administrator

Mr. Phillip R. Jackson, CTE

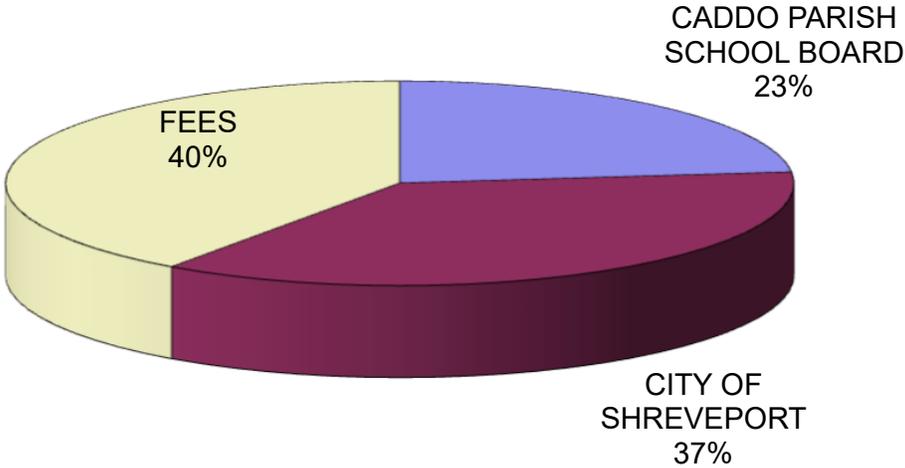
CADD0-SHREVEPORT
SALES AND USE TAX COMMISSION
2022-2023 BUDGET SUMMARY

EXPENDITURES	2020-2021 ACTUAL	2021-2022 ESTIMATE	2021-2022 BUDGET	2022-2023 REQUEST	2022-2023 Variance	2022-2023 % Change
<u>4100 PERSONNEL SERVICES</u>						
4111 Salaries	535,353	535,556	565,000	578,000	13,000	2.30%
4112 Other Salaries	0	0	1,000	1,000	0	0.00%
4151 Retirement Fund	129,973	160,500	170,000	173,400	3,400	2.00%
4152 Hospitalization & Life	160,388	150,755	170,000	168,000	-2,000	-1.18%
4153 Medicare Benefits	7,281	7,800	8,500	8,400	-100	-1.18%
4154 Unemployment Benefits	0	0	1,000	1,000	0	0.00%
TOTAL PERSONNEL SERVICES	<u>832,995</u>	<u>854,611</u>	<u>915,500</u>	<u>929,800</u>	14,300	1.56%
<u>4200 OPERATING SERVICES</u>						
4214 Dues and Subscriptions	2,539	2,840	2,700	2,850	150	5.56%
4215 Advertising	0	0	1,000	1,000	0	0.00%
4221 Printing and Forms	1,523	2,100	3,500	3,500	0	0.00%
4231 Electric Light & Power	6,399	7,600	7,000	7,600	600	8.57%
4233 Water	1,006	1,080	1,500	1,400	-100	-6.67%
4241 Postage & Permits	12,069	10,000	14,000	14,000	0	0.00%
4242 Telephone	5,809	6,225	6,000	6,200	200	3.33%
4252 Equipment Rental	2,948	3,050	3,200	3,200	0	0.00%
4261 Grounds Maintenance	5,815	4,500	5,500	6,500	1,000	18.18%
4262 Building Maintenance	2,166	4,000	3,000	4,500	1,500	50.00%
4263 Vehicle Maintenance	75	600	2,000	1,500	-500	-25.00%
4274 Pest Control	468	600	600	600	0	0.00%
4275 Janitorial Services	5,993	5,910	6,500	7,150	650	10.00%
4277 Equipment Maintenance	1,911	2,885	3,000	3,000	0	0.00%
4278 Bank Service Charges	18,420	19,800	18,500	19,825	1,325	7.16%
4279 Security Services	600	600	600	600	0	0.00%
TOTAL OPERATING SERVICES	<u>67,740</u>	<u>71,790</u>	<u>78,600</u>	<u>83,425</u>	4,825	6.14%
<u>4280 PROFESSIONAL SERVICES</u>						
4284 Legal	83,830	70,000	94,000	105,000	11,000	11.70%
4285 Accounting-Auditing	87,272	82,000	100,000	100,000	0	0.00%
4286 Consultant Services	0	0	1,000	1,000	0	0.00%
4289 Data Processing	35,350	61,200	60,000	63,000	3,000	5.00%

**CADDO-SHREVEPORT
SALES AND USE TAX COMMISSION
2022-2023 BUDGET SUMMARY**

EXPENDITURES	2020-2021 ACTUAL	2021-2022 ESTIMATE	2021-2022 BUDGET	2022-2023 REQUEST	2022-2023 Variance	2022-2023 % Change
TOTAL PROFESSIONAL SERVICES	<u>206,452</u>	<u>213,200</u>	<u>255,000</u>	<u>269,000</u>	14,000	5.49%
<u>4290 INSURANCE & BONDS</u>						
4291 Insurance	10,204	10,479	11,000	11,500	500	4.55%
4292 Bonds	350	350	400	400	0	0.00%
TOTAL INSURANCE & BONDS	<u>10,554</u>	<u>10,829</u>	<u>11,400</u>	<u>11,900</u>	500	4.39%
<u>4300 MATERIALS & SUPPLIES</u>						
4310 Office Supplies	7,017	8,000	8,000	8,000	0	0.00%
4311 Miscellaneous	344	880	1,000	1,000	0	0.00%
4312 Small Office Furniture & Equipment	432	300	1,000	1,000	0	0.00%
4327 Vehicle Supplies	882	1,413	1,500	1,925	425	28.33%
TOTAL MATERIALS & SUPPLIES	<u>8,675</u>	<u>10,593</u>	<u>11,500</u>	<u>11,925</u>	425	3.70%
<u>4400 TRAVEL & OTHER</u>						
4411 Mileage, Travel & Mtgs.	1,923	13,000	10,000	14,000	4,000	40.00%
TOTAL TRAVEL & OTHER	<u>1,923</u>	<u>13,000</u>	<u>10,000</u>	<u>14,000</u>	4,000	40.00%
<u>4500 OPERATING RESERVE</u>						
4510 Operating Reserve	0	5,000	20,000	20,000	0	0.00%
TOTAL OPERATING RESERVE	<u>0</u>	<u>5,000</u>	<u>20,000</u>	<u>20,000</u>	0	0.00%
<u>4600 CAPITAL OUTLAY</u>						
4656 Furniture & Equipment	2,954	0	4,000	4,000	0	0.00%
TOTAL CAPITAL OUTLAY	<u>2,954</u>	<u>0</u>	<u>4,000</u>	<u>4,000</u>	0	0.00%
<u>4800 OTHER FINANCING USES</u>						
4851 Transfer to Capital Reserve	20,813	15,020	24,000	24,000	0	0.00%
TOTAL OTHER FINANCING USES	<u>20,813</u>	<u>15,020</u>	<u>24,000</u>	<u>24,000</u>	0	0.00%
TOTAL BUDGET - EXPENDITURES	<u>1,152,105</u>	<u>1,194,043</u>	<u>1,330,000</u>	<u>1,368,050</u>	38,050	2.86%

ANTICIPATED REVENUE



CADDO-SHREVEPORT
SALES AND USE TAX COMMISSION
2022-2023 REVENUE

Section 13.03 of the local sales and use tax ordinances and the "Joint Agreement" between the Caddo Parish School Board and the City of Shreveport require the expenses of the Commission to be paid as follows:

11.
Expenses of Commission

"The costs of establishing, operating, maintaining and administering the Commission shall be borne jointly by the City and the School Board on a pro-rata basis on the ratio that the taxes collected for each bears to the total taxes collected for both during the preceding months in accordance with ordinances which have heretofore been or may hereafter be enacted by the City and School Board."

The Board of Commissioners has authorized the Administrator to deposit all attorney's fees collected as provided by law (from delinquent dealers) and all fees charged (approximately \$46,000 per month) other local taxing authorities served by the Commission into the operating account. This lowers the pro-rata share required from each taxing authority (above) and effectively reduces our total expenses.

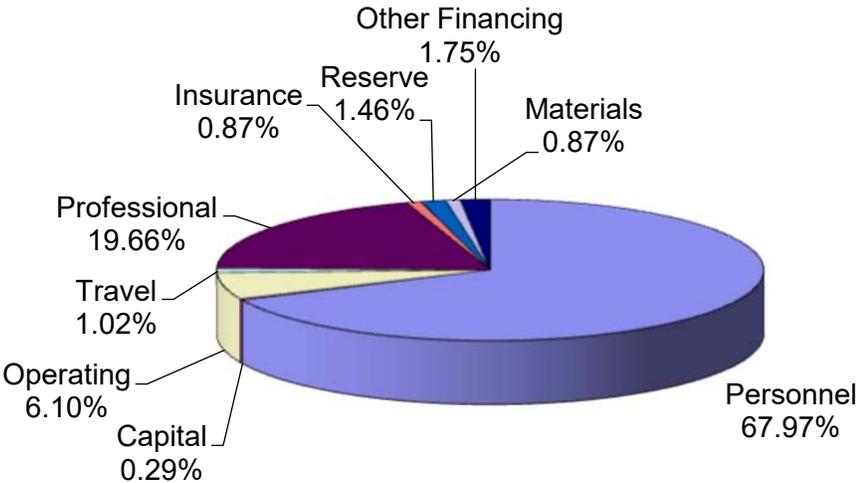
		2022-2023
		<u>Estimate</u>
3850	Caddo Parish School Board Estimated Pro Rata Share	318,330
3852	City of Shreveport Estimated Pro Rata Share	499,720
3400	Fees For Services Rendered	<u>550,000</u>
	Total Revenue Request	1,368,050

The following revenue production can be directly attributed to the efforts of this Commission. The performance of compliance audits and the resulting assessment and collection of tax deficiencies will generate about nine hundred thousand dollars this year. Enforcement and Collections procedures against delinquent accounts generates tax, penalty and interest as required by law and will produce an additional One Million dollars. This revenue is over and above what is remitted voluntarily and is deposited daily in the operating accounts of the respective taxing jurisdictions as it is collected.

DIRECT REVENUE GENERATED THROUGH AUDITS AND ENFORCEMENT

<u>SOURCE</u>	<u>ACTUAL</u>	<u>ESTIMATED</u>	<u>ANTICIPATED</u>
	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
COMPLIANCE AUDITS	1,304,982	1,580,000	1,100,000
ENFORCEMENT AND COLLECTIONS	769,095	1,000,000	1,000,000
 TOTAL	 <u>2,074,076</u>	 <u>2,580,000</u>	 <u>2,100,000</u>

EXPENDITURES



**CADDO-SHREVEPORT
SALES AND USE TAX COMMISSION**

**2022-2023
CAPITAL OUTLAY BUDGET REQUEST**

Expenditures

<u>3-4650</u>	<u>Furniture & Equipment</u> Provides for computers and technology equipment	\$5,000
TOTAL CAPITAL OUTLAY BUDGET REQUEST		\$5,000

Revenue

Anticipated Balance in Capital Reserve 7-1-2022*	\$64,000
Anticipated Fee Income	<u>\$24,000</u>
TOTAL REVENUE AVAILABLE	\$88,000
Less Expenditures	(5,000)
Transfers to Operating	-0-
Balance Anticipated in CAPITAL RESERVE 6-30-2023*	<hr/> <u>\$83,000</u>

- * The Board of Commissioners has approved a recommendation by management to maintain the Capital Reserve Account to fund capital projects. Management recommends that attorney fee income (not to exceed \$2,000 per month) be deposited in Capital Reserve this year for this purpose. Approximately \$46,000 per month is transferred to the Operating Fund to offset operating expenses (refer to "Revenue" page of the Operating Budget).

CADDO-SHREVEPORT
SALES AND USE TAX COMMISSION
2022-2023 BUDGET

NARRATIVE SUMMARY

1. **Authority**

Louisiana Revised Statutes, Title 33, § 2738.54, authorizes the City of Shreveport and the Caddo Parish School Board to enter into an agreement between and among themselves with respect to the joint collection, enforcement, and administration of their sales and use taxes. In April 1980, by ordinances duly adopted by their respective governing authorities, the City and School Board entered into an agreement creating "...a joint commission as an independent agency and instrumentality to administer the terms of an agreement." The agreement was executed and this agency was created. The Commission also serves (as authorized in state law and the "Joint Agreement") Vivian, Oil City, Mooringsport, Greenwood, Rodessa, Blanchard, Ida, Sales Tax District #1 of Caddo Parish, North Caddo Parish Hospital Service District, Caddo Fire District No. 1, Caddo Fire District No. 3, The Shreveport Bossier Convention and Tourist Bureau, The Law Enforcement District of Caddo Parish, and The Village of Hosston.

2. **Staffing Levels and Organization**

The Commission is governed by a Board of Commissioners (see page 4) and presently has an authorized staff of fourteen (14) which is organized as shown on the Organization Chart on page 13.

3. **Description of Operations**

The Commission receives and processes tax reports for over twenty-three thousand (23,000) registered dealers. We record, account for, and maintain complete current and prior years (5 years) records on each; deposit the revenue received with the fiscal agent of each taxing authority daily; account for and report the revenue in detail as required by law and as requested by the finance directors; enforce compliance with local ordinances and state law relating to sales and use tax; and provide support and assistance to the dealers as needed.

4. **Office**

Private office space is maintained at 3300 Dee Street and all expenses associated with the operation are covered in our budget. Office hours for personnel are 7:45 AM to 4:45 PM each business day (except authorized holidays) and the office is open to the public from 8:00 AM to 4:30 PM.

5. **Performance**

- *Board of Commissioners*

The board meets once each quarter (more often if necessary) and reviews performance, tax collections, audits, delinquent account handling, operating costs vs. budget, personnel progress and problems, matters under litigation, and all other business affairs of the Commission. Membership on the board is by virtue of the position held with the respective taxing authorities as provided in the "Joint Agreement" and ordinances passed by both bodies. (See page 4).

- *Administration*

The Administrator is appointed, subject to confirmation by the City Council and School Board, and serves at the pleasure of the Board. He is subject to the provisions of the "Joint Agreement" between the taxing authorities and the sales and use tax ordinances and is vested with specific authority with respect to the administration of the affairs of the Commission. The Chairman of the Board is his immediate higher authority with respect to the day to day business of the Commission; the sales and use tax ordinances, state law, the constitution and the courts govern his activities and set the limits of his responsibility and authority with respect to the administration of the sales and use tax law.

- *Field Operations & Professional Staff*

An Audit Manager, a five-person Audit Staff and one Field Representative maintain a high level of professional and ethical performance. Historically, this field team has generated substantially more revenue than the total cost of the operations of the Commission. Such revenue is in addition to sales and use taxes voluntarily remitted to this Commission.

- *Administrative Support*

The office staff effectively and efficiently manages an enormous paper flow. The Auditors and Field Representative get involved in processing tax reports to varying degrees depending on the work load. In addition to normal mail handling, bookkeeping, correspondence, file maintenance, data processing, and the phone calls, between 500 and 600 dealers per month come into the office.

- *Overall Performances*

A survey of our operating costs in recent years reveals that this Commission has operated for .49% (.0049) of total collections. Over a three-year period the Commission has collected over seven hundred forty six million dollars (\$746,897,569.54) at a total cost of three million six hundred six hundred two thousand, six hundred fifty five dollars (\$3,662,655). During this same time, as a direct result of our audit activity and enforcement efforts against delinquent accounts, this Commission generated over six million dollars (\$6,750,163) in revenue which was not paid voluntarily.

6. **Program Needs**

The Capital Outlay Budget allows the Commission to add much needed items to the sales tax office without having to request funds. Funding comes from our Capital Reserve Fund which is built and maintained out of fees earned for services rendered.

7. **Accomplishments**

The Commission continues to build on a reputation of excellence in all phases of our operations. Other parishes, school boards and municipalities frequently visit our office from around the state in an effort to improve their tax administrative function. In addition to this record of excellence we have also improved our policies, procedures, and regulations in an effort to refine our operations even further.

ORGANIZATIONAL CHART

