

## LDR Issuing New Resale Certificate



On July 1, 2009 and due to the repeal of the Louisiana "Advance Sales Tax," the Louisiana Department of Revenue will begin a new chapter on resale certificates by issuing two distinct resale certificates to qualified dealers. A local certificate of exemption will continue as a requirement.

One of the new certificates replacing Form R-1042 (removed from website and discontinued) shall be identified as Form R-1064. Businesses who purchase primarily for resale will be targeted for use of R-1064. This certificate will be valid for three (3) years with an automatic renewal for dealers who have sales activity within twelve (12) months of the expiration date. A second certificate described as a limited certificate and identified as Form R-1067 will be available to dealers who make occasional purchases for resale. The limited certificate shall be valid for two (2) years with an automatic renewal for dealers who have sales activity within twelve (12) months of the expiration date.

However, as mentioned above, regardless of which level of eligibility dealers have at the state level, a local exemption certificate will be necessary for exemption from local taxation. Current policy and procedures are being reviewed subject to research and other developments. Our goal continues to be directed toward streamlining the process through possible consolidation efforts or other practical alternative options.

## Did You Know?

Did you know bartering non-like items is considered a taxable transaction?

According to R.S. 47:301 (12) of the Sales Tax Law, a "sale" is defined as receiving or giving consideration in exchange for the transfer of title or ownership of tangible personal property. A sale may include, but is not limited to, transactions such as barter agreements. An example of such an agreement is where payment is made in a form other than money such as an exchange of property or a promissory note.

Specifically excluded by R.S. 47:301(13)(a) from the definition of sales price when separately stated is the market value of any property traded in on a sale. A trade-in item must be one the vendor would normally consider acceptable in the course of regular business and shall be similar to the property being purchased.

Exchanging an item or property that is not germane to the item being purchased shall be recognized as a barter or exchange agreement per the description in R.S. 47:301(12). One example would be the owner of a clothing store providing suits to the owner of an appliance store in exchange for a dishwasher. In this instance, each dealer is obligated to report the transaction as a sale on his sales tax return.

## Free Sales Tax Class

A class is being offered free of charge to all dealers in Calcasieu Parish. This class is held at our office at 2439 6<sup>th</sup> Street on the first Friday of each month. Class begins at 9:30 am and lasts about 1½ hours.

Members of our audit staff are also on hand to answer specific questions concerning individual businesses and tax questions. Call 217-4280 ext. 3413 or come by our office to sign up in advance for the class.

## Online Filers Removed from Roster



As a cost-savings measure, returns will no longer be mailed to dealers who are filing electronic returns either via ACH Debit or ACH Credit. Letters are being sent to online filers advising them of their removal from the department's mailing roster. Consequently, we recommend staying current with changes in office policy and procedures such as this by periodically visiting our website. In the absence of mailouts, the primary objective of the website is to provide critical notice of facts and advisories that will positively impact taxpayers' ability to effectively comply with filing a complete and accurate sales tax return. Notices of rate changes and changes in office policy will always be posted on our website any time such events occur.

## Local Sales Tax Holidays

Our offices will be closed on the following dates for the holidays mentioned:

July 4<sup>th</sup>.....July 3, 2009  
 Labor Day.....Sept. 7, 2009  
 Veterans Day.....Nov. 11, 2009  
 Thanksgiving.....Nov. 25-27, 2009  
 Christmas....Dec. 21-Jan.1, 2010

In addition, our regular office hours through May are 8:00 am to 4:30 pm. Summer hours in June and July will be 8:00 am to 4:00 pm. Our office is open during the lunch hour throughout the year.

## Legislative Wrap-up 2009

Our legislature addressed many tough issues during the recent session that ended with few exemptions affecting local taxes. A brief review of those bills approved by the governor are as follows.

**SB9 – Act 442** – exempts new boats, vessels and other watercraft used as demonstrators from state and local taxes. Additional language also exempts railroad ties purchased prior to long term preservation treatment. Third part of this multifaceted bill deals with a revised definition of “tangible personal property.”

**HB9 – Act 456** – excludes from the definition of “hotel” temporary lodging facilities operated by non-profit 501(3)(c) organizations for no longer than 30 days for homeless transients and may not charge more than \$20 per day for such service.

**SB268 – Act 493** – enacts language to Uniform Local Tax Code authorizing local collectors to retain outside counsel and pay them up to 10% attorney fees subject to the discretion of the court.

**HB734 – Act 462** – enacts R.S. 47:337.9(D)(30) under the Uniform Tax Code that provides a state and local exemption for qualifying radiation therapy treatment centers.

**SB33 – Act 443** – enacts R.S. 47:305.51(10) relative to purchases of utilities used by certain steelworks and blast furnaces. Also provides that the definition of “retail sale” shall not include sales of tangible personal property by the military department. See R.S. 47:301(10)(FF).

**HB251 – Act 500** – amends R.S. 47:301(16)(g) to reflect changes in the exemption of “manufactured home” to

“factory built home.” Deletes obsolete provisions.

## REMINDER

Our website offers a totally scanner-friendly Sales and Use Tax Report. The website is easily accessed by going to [www.calcasieusalestax.org](http://www.calcasieusalestax.org).

Once arriving at the site and after accessing the form, a bonus will be the ability to insert the applicable business name and address, account number, return period, year and filing frequency. The critical fields are designed and calibrated for precise entry. Don't forget! Always begin the return period in lower case (small letter not capitalized).

Dealers are also reminded not to use lines, punctuation marks or dates in or near fields for the account number or the return period and year regardless of whether a custom return has been prepared and approved for use or whether a return is taken from the website. Placing lines, commas, checks or other markings in those fields will negate our scanning efforts.



Taxpayers continue to register for online filing. We are now averaging over 700 online filers a month. Again, our website for forms, publications, and instructions for filing returns is [www.calcasieusalestax.org](http://www.calcasieusalestax.org). Filing online is a 100% free service. The only cost to taxpayers is the time it takes for registration.



## How to Contact Us

Our main number is **(337) 217-4280** and **fax number is (337) 217-4281**. Extension for general customer assistance is 3413; for administration dial extension 3423; for delinquent returns dial 3406; and for audit information dial 3419.



## Annual Sales Tax Holiday

The annual Louisiana sales Tax Holiday Act provides a two day opportunity to purchase many items for non-business purposes exempt from state sales tax.

Items such as motor vehicular purchases, meals and hotel stays are not eligible for the exemption. For more information concerning this state annual sales tax holiday, visit [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov). The exemption does not apply to local sales taxes.

## Audit Committee Produces “Best Practices”

The Louisiana Association of Tax Administrators (LATA) has prepared for review its draft of a set of guidelines for the successful conduct of local sales and use tax audits. These recommended procedures will assist auditors, taxpayers, and tax administrators in producing the optimum outcome for audits. Stay tuned for a release date.