

What Do Those Words Mean??

Tangible Personal Property (TPP) – Also referred to as movable property is “any personal property which may be seen, weighed, measured, felt or touched, or is in any other manner perceptible to the senses.” Some examples: laptop computers, printers, fax machines, cars, trucks, utility trailers, tools, chairs, desks, etc.

Real Property – Immovable property or anything that is not movable or TPP. Some examples: land, buildings, fences, central air conditioning units, etc.

Tip: Most of time, the taxability of an item will depend on whether an item is TPP or real property. However, some exceptions to this rule do exist.

Sales Tax – Tax charged on the sale of movable or tangible personal property.

Use Tax – (complimentary tax to sales tax) Tax that is imposed on movable or TPP imported into the parish. This tax is required to be paid if no sales tax has been paid on TPP that is used, consumed, distributed, or stored for use within the parish in lieu of a sales tax.

Non-Profit Organizations Are Taxable

Although the federal government extends tax exempt benefits to non-profit organizations mainly affiliated with income tax, it is often not the case with local sales and use tax authorities, especially regarding purchases at retail. Many non-profit organizations will present their Federal ID number to their vendors. **Federal ID numbers are not sales tax exempt numbers.**

Non-profit organizations are not expected to register for sales and/or use tax, but that does not necessarily suggest that they are exempt. Like any person who buys for personal use or consumption, non-profit organizations owe sales and/or use tax on the acquisition of tangible personal property, as well as the sales tax that attaches to taxable services unless specifically protected by state laws or the United States Constitution.

Moreover, any time a non-profit organization sets up business on a day-to-day basis and competes with other similar businesses for profit, then registration and collection of sales tax is required.

If the organization only engages in periodic fund-raisers, an application (Form R-1048) from the State of Louisiana is necessary to be exempt from collection of sales tax. Louisiana Revised Statute 47:305.14 allows a non-profit organization to apply for a fund-raising event exemption on an annual basis. The sales and use taxes imposed by R.S. 47:302, R.S. 47:321, and R.S. 47:331 do not apply to parking fees or sales of tangible personal property at, or admission charges for, event(s) sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious organizations, that are nonprofit, when the entire proceeds, except for necessary related expenses, are used for educational, charitable, religious, or historical restoration purposes or to further the organization's own purpose. This exemption does not apply to any event(s) intended to yield a profit to the promoter or to any individual contracted to provide services or equipment, or both, for the event(s).

Keeping Adequate Records is Mandatory

The Sales/Use Tax Ordinance stipulates the requirement of every dealer to keep records. Proper records must be maintained in support of each sales/use tax return that is filed with this office.

The local ordinance, the Uniform Tax Code (UTC), is very specific about preserving adequate records. It states that every dealer is required to keep and maintain suitable records of sales, purchase, or the purchase or sale of services as the case may dictate. LA R.S. 47:309, it states that the system of records should be suitable enough to support the accuracy of every return filed with the department. Some of the records necessary, but not limited to, are sales invoices, purchase orders, merchandise records, inventory records, bills of lading, shipping records, and all other pertinent records to sales, purchases, or use of tangible personal property, whether or not the dealer thinks they are subject to sales or use tax. Within this scope of records to keep are the details of property leased or rented in the instance of both rentals from and to others. It should be noted that bank deposits alone are not suitable records without the backup from other documents including cash register tapes (z-tapes) and sales invoices.

The consequences of not making records available for inspection by the Collector or for not preserving adequate records enough to confirm the correct tax liability could subject the violator to a fine up to \$500 for each reporting period or imprisonment for up to sixty (60) days or both as stated in the provisions of LA R.S. 47:309 of the UTC.

To Purchase or Not to Purchase, that is the Question...

There are only two reasons for making a purchase:

- 1.) Buying the item for resale (sale the item to another person or business who will charge sales tax on the retail sale of the item), or
- 2.) Buying the item for use or consumption in your business (paying the sales tax when you buy the item or if the sales tax is not charged, accruing the use tax and remitting the use tax to the taxing jurisdiction).

Did you know?

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

According to Louisiana Revised Statutes 47:301(12) of the Uniform Tax Code (UTC), a "sale" is defined as receiving or giving consideration in exchange for the transfer of title or ownership of tangible personal property (TPP). 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 LA 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 sales. 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 LA 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.

Online Filing

100% Free Service. Go to www.calcasieusalestax.org for Bailey Link and Parish e-File.

Mixing Personal Purchases with Business Expenses

Department field auditors are finding more often the case where dealers are using personal credit cards to pay for both business purchases and personal purchases. Whenever a business pays for credit card purchases, whether for personal use or business use, they are taxable and become subject to review by a field auditor. Personal use items are not exempt from the review process, especially when personal use items are purchased under exempt circumstances like the presentation of a Resale Exemption Certificate. Therefore, any dealer who engages in the practice of making personal purchases exempt from the local sales tax under business practices should be prepared to pay the tax, penalties, and interest associated with such purchases when they are discovered during a routine compliance examination (audit).



Reminder

When our office is closed on weekends or holidays, dealers may use the green drop box

located under the breezeway to drop off returns or other payments if needed. The box is strategically located for taxpayer convenience, so take full advantage of its availability. This drop box is **ONLY** for sales and use tax returns and payments. The box is **NOT** intended for United States Postal Service mail.

Due Dates for Sales and Use Tax Returns

<u>Return:</u>	<u>Due By:</u>
Jul. 2014	Aug. 20, 2014
Aug. 2014	Sep. 22, 2014
Sep. 2014	Oct. 20, 2014
Oct. 2014	Nov. 20, 2014
Nov. 2014	Dec. 22, 2014
Dec. 2014	Jan. 20, 2015
Jan. 2015	Feb. 20, 2015

Local Office Holidays

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

Independence Day...July 4, 2014
Labor Day.....Sept. 1, 2014
Election Day..... Nov. 4, 2014
Veterans Day.....Nov. 11, 2014
Thanksgiving...Nov. 24–28, 2014
Christmas/New Year's.....
Dec. 22-Jan. 2, 2015

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.



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 3422.