

What Do Those Words Mean??

Business – Any activity engaged in by any person or caused to be engaged in by him/her with the object of gain, benefit or advantage, either direct or indirect.

Tip – Occasional and isolated sales by a person who does not hold himself/herself out as engaged in business is not a business.

Hotel – Any establishment engaged in the business of furnishing sleeping rooms, cottages, or cabins to transient guests, where such establishment consists of six or more sleeping rooms, cottages, or cabins at a single business location.

Lease or rental – The leasing or renting of tangible personal property and the possession or use thereof by the lessee or renter, for a consideration, without transfer of the title of such property.

Purchaser – Any person who acquires or receives any tangible personal property, or the privilege of using any tangible personal property, or receives any services pursuant to a transaction subject to tax.

Collector – The director, tax administrator, commission, or collector of revenue for the jurisdiction and includes the collector's duly authorized assistants.

Retailer – Every person engaged in the business of making sales at retail or for distribution, or use or consumption, or storage to be used or consumed in this parish.

%%Tax Rate Increase%%

In May 2015, the taxpayers of Calcasieu Parish approved a 1/2% tax for the salaries of Calcasieu Parish School Board employees. Therefore, effective July 1, 2015, the new local tax rate is 5.75% for all areas except for the areas within the city limits of Lake Charles which is 5.50%. For more details and to view the tax rate chart, go to our website at www.calcasieusalestax.org.

Online Filing

As of April 30, 2015, **BaileyLink** is no longer available for filing your local sales and use tax returns. You may use the other two online filing services, Sales Tax Online or Parish e-File. The use of these services is **100% Free**. Go to our website, www.calcasieusalestax.org for the links to Sales Tax Online or Parish e-File.

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 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.

Prosthetic Devices

Act 468 of the 2015 Legislative Session amended 47:305 (D)(1)(k)(ii) to exempt prosthetic devices prescribed by a physician for Medicare and Medicaid patients from local sales and use tax. The exemption is effective on July 1, 2015.

The exemption reads as follows: "Solely for the purposes of the sales and use tax of political subdivisions, the sale to, or the purchase by, an individual or by a medical service provider such as a physician, clinic, surgical center, or other healthcare facility of a prosthetic device which is sold or purchased with the intention of being personally used or consumed by individuals pursuant to a prescription by a physician when the individual is covered by the Medicaid or Medicare program."

This exemption is for prosthetic devices only. The prosthetic devices must be prescribed to a Medicare or Medicaid patient. It also includes the purchases by a medical service provider as long as the prosthetic device is prescribed to a Medicare or Medicaid patient.

Legislation Concerning Sales of Services

Recent legislation concerning Act No. 90 is to amend and reenact the definition of "sales of services."

Effective August 1, 2015, Revised Statutes 47:301(14)(e) will read as follows:

(14) "Sales of services" means and includes the following:

(e) The furnishing of laundry, cleaning, pressing, and dyeing services, including by way of extension and not of limitation, the cleaning and renovation of clothing, furs, furniture, carpets and rugs, and the furnishing of storage space for clothing, furs, and rugs. **The service shall be taxable at the location where the laundered, cleaned, pressed, or dyed article is returned to the customer.**

Towing or Wrecker Service

There has been a lot of discussion lately about the towing of vehicles by towing companies as well as vehicle repair dealers who provide towing.

Towing only of a vehicle is not a taxable transaction to their customers. Towing is not one of the seven enumerated services in Louisiana Revised Statutes 47:301(14) that the local taxing jurisdictions can collect tax on. Towing only dealers will never charge sales tax to their customers.

However, the State of Louisiana Revenue Ruling No. 05-001, "Sales Tax on Repairs to Movable and Immovable Property" states, as it relates to movable property (tangible personal property), that "repair dealers must collect sales tax on the gross amount charged for the repair service, **including separately stated amounts for services, materials, overhead, or profit.**"

The Louisiana Administrative Code 61:1301 states that the sales price is "the total amount, including cash, credit, property, or services, that is received or paid for the sale of tangible personal property. Any part of the sales price that is related to costs incurred by the vendor to bring his product to market or make the product available to customers becomes a part of the tax base and is subject to sales tax even if a separate charge is made on the invoice."

Therefore, if the towing or wrecker services are performed in conjunction with a repair, then the towing or wrecker service fee would become part of the taxable base of the entire repair charge by the vehicle repair dealer and is taxable. This applies only to the vehicle repair dealer who has a vehicle towed by an independent towing company or provides a towing service in conjunction with his/her repair business.



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. 2015	Aug. 20, 2015
Aug. 2015	Sep. 21, 2015
Sep. 2015	Oct. 20, 2015
Oct. 2015	Nov. 20, 2015
Nov. 2015	Dec. 21, 2015
Dec. 2015	Jan. 20, 2016
Jan. 2016	Feb. 22, 2016

Local Office Holidays

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

Independence Day...July 3, 2015
Labor Day.....Sept. 7, 2015
Veterans Day.....Nov. 11, 2015
Thanksgiving...Nov. 23-27, 2015
Christmas/New Year's.....
Dec. 21-Jan. 1, 2016

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.