

CALCASIEU TAX REVIEW

Vol. 28, Issue 2

Tax Rate Increases

Three new districts have been added to the Calcasieu Parish sales tax return. The districts will appear as **Column I (Hope Economic Development District**, effective as of January 1, 2016); **Column J (Opelram Economic Development District**, effective as of April 1, 2016); and **Column K (Executive Economic Development District**, effective as of July 1, 2016). Each of these districts will have an overall rate of 7.75% for sales and use tax.

The districts will also levy an additional 2% hotel/motel tax in Columns B, C, & D of the local hotel/motel return. These increases will bring the overall rate for hotel/motel tax to 6% in each of these columns.

Dealers are advised that their point of sale equipment (registers) will need to be modified to reflect the new rates which will allow them to collect the proper tax amount. Their account systems will also require upgrading to account for the tax increase for billing as well as reporting purposes.

PLEASE NOTE: These new taxes do not apply to the entire city of Sulphur. These districts apply to certain areas located within the city limits of Sulphur. At the present time, there are no businesses that are located in this district.

Hope EDD - located between R.W. Vincent Elementary at 1634 S. Beglis Parkway and The Boiling Point at 1732 S. Beglis Parkway.

Opelram EDD – located between West Cal Blvd and Arena Road.

Executive EDD – located off Arena Road.

Please go to our website, www.calcasieusalestax.org for a map of the boundaries of these districts.

Visit us on the web: www.calcasieusalestax.org



What Do the Tax Increases Mean For Real Property Contractors?

Construction contracts entered into prior to the effective date of the increase and reduced to writing within 90 days of the tax rate increase will not be subject to the new tax rate since their bids were submitted based upon the prior rate. Contractors should apply for an exemption certificate in order to provide to their suppliers these exemption certificates to be subject to the lower tax rate. This special provision only applies to lump sum or unit price construction contracts. It does not apply to cost plus or fixed fee based contracts.

To be exempt from the tax increase, the contractor will need to fill out an application for an exemption certificate and supply a copy of their signed contract with the beginning and ending dates of the contract. The contractor will need to apply for a separate exemption certificate for each job.

Vendors and dealers who have transactions that remain subject to the old rate will be required to submit a supplemental return reflecting those sales that are subject to the old rate in order not to have the higher rate computed. **The supplemental returns cannot be submitted online.** The return needs to be mailed to our office for processing. Typically, contractors, building material suppliers and other related suppliers are affected by these requirements. They should ensure that a properly completed exemption certificate has been obtained from the Calcasieu Parish Sales Tax Department in order to document the exemption.

If you should have any questions concerning the above requirements, please do not hesitate to contact us at (337) 217-4280, ext. 3422.

New Taxpayer Resource:

The **Tax Research Information And Litigation Summary (TRIALS)** system was developed as a research tool for local sales and use tax in the state of Louisiana. **TRIALS is intended to be used for information purposes only, and is not to be considered a legal opinion or legal advice.** You may take advantage of this resource at <http://trials.laota.com/>.



MY TAXES GO WHERE?

One of the goals of the Calcasieu Parish School Board Sales Tax Department is to ensure that the taxing jurisdictions we represent receive the proper amount of sales and use taxes that are due to them. With that being said, we would like to ask for your help in achieving our goal of the proper reporting of sales and use tax. Here are some ways you can help:

1. Ask your customers when you make a sale if their delivery address is located inside or outside of the city limits.
2. If you have the delivery address of your customer and are unsure of whether a customer is inside or outside the city limits, you may call our office at (337) 217-4280, ext. 3413, and we would be happy to assist you in determining the proper column on our sales tax return to report those sales or use taxes.

Also as a reminder, 99% of the local industries located within Calcasieu Parish are located outside the city limits and should be reported in Column A. This is the unincorporated area of Calcasieu Parish except Ward 1 (Moss Bluff, Gillis, Topsy area). The current local tax rate for Column A is 5.75%.



Filing Frequency Changes

The Calcasieu Parish Sales Tax Department is in the process of changing taxpayers from an occasional filing status to either a quarterly or annual filing status. The taxpayer should receive a letter from the Sales Tax Department informing them of the change in filing status. However, we have received many returned letters with incorrect addresses. If your mailing address as well as any other information has changed since the time when you first registered with us, then you can go to our website and choose "**Registration Application**" on the right side of the screen. Complete the application and write the word "**UPDATE**" on the top of the application and send it to us by email at monica.harrington@cpsb.org, fax at (337) 217-4281, or US Mail. This will enable us to communicate with you in a more efficient manner with any future changes that may occur.

Local Office Holidays

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

Independence Day.....Jul. 4, 2016
Labor Day.....Sept. 5, 2016
Election Day.....Nov. 8, 2016
Veterans Day.....Nov. 11, 2016
Thanksgiving.....Nov. 21-25, 2016
Christmas/New Year's.....
Dec. 19-30, 2016
MLK Day.....Jan. 16, 2017

Our regular office hours are 8:00 am to 4:30 pm. Our summer hours from May 25 to July 29 are 8:00 am to 4:00 PM. Our office is open during the lunch hour.



Contracts: Movable vs. Immovable

Most of the time, you will have to read contracts or purchase orders to determine whether a contract is for movable or immovable property. You will commonly find the answer to whether it is movable or immovable in the "scope of work" section of the contract.

Types of contracts:

1. Contractor to fabricate and deliver – The vendor fabricates the equipment at their place of business and ships the equipment to the customer with no installation. This is a sale and is fully taxable even if they separate labor and materials on the invoices. It does not matter if materials are furnished by customer to the contractor. Fabrication labor is still taxable. Common terminology used: fabricate, construct and deliver, fabricate and deliver.
2. Contractor to fabricate and install (real property construction contract) – The vendor fabricates the equipment at their place of business or on site, delivers it to the location, and installs the equipment. This type of contract is a contract for real property and the purchaser will not be responsible for the sales or use tax. The contractor will be responsible for the local tax on the cost of any materials or parts used in his real property construction contract. Common terminology used: fabricate and install, provide all materials, labor, supervision, and equipment to install.
3. Material contractors – The contractor is going to supply ONLY the materials or parts. This is a taxable sale.
4. Repair contractor – The contractor goes to the customer's location to repair real property. We consider this to be a real property contractor and the contractor will be responsible for the tax on the cost of the parts or materials he or she uses in his job. This is a non-taxable transaction to the customer. However, if the contractor takes a part off the repair site and takes the part to his shop for repair, the part becomes movable and the shop repair would then be taxable. Separately stated installation charges would not be taxable.
5. Variation of the above – Sometimes a contract with a vendor is for the fabrication and delivery of a piece of equipment which is a taxable sales transaction. Then the customer has the vendor install the equipment that was bought from them a few months earlier. Another contract is written for the installation. These are two separate contracts. The first contract is for the fabrication and delivery of the equipment (taxable); the second contract is for the installation of the equipment (non-taxable).



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.

Due Dates for Sales and Use Tax Returns

Return:

Due By:

July 2016.....Aug. 22, 2016
Aug. 2016.....Sept. 20, 2016
Sept. 2016.....Oct. 20, 2016
Oct. 2016.....Nov. 21, 2016
Nov. 2016.....Dec. 20, 2016
Dec. 2016.....Jan. 20, 2017
Jan. 2017.....Feb. 20, 2017

ONLINE FILING

"100% FREE"

Don't forget our free online service for filing your sales tax reports. It is fast and convenient.

Go to www.salestaxonline.com or <http://parishe-file.revenue.louisiana.gov> to get started.

Sales Tax 101--Free Help to Dealers

Are you a new business owner and overwhelmed by the number of forms and information you need to produce? Maybe you've been in business a while but are unsure of exactly what forms you need to complete. Our office has the answer--Sales Tax 101 is a short session offered to dealers to help answer sales tax questions and make filing returns easier. You can download the Sales Tax 101 presentation from our website or call our office for more information or to schedule an appointment for individual assistance.