

CALCASIEU TAX REVIEW

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LOUISIANA ASSOCIATION OF TAX ADMINISTRATORS ANNUAL STATE AND LOCAL SALES & USE TAX SEMINAR

Thursday, August 16, 2018 ~ 8:00 AM – 4:30 PM

CPE Credit: 8 Hours

CLE Credit: 6.6 Hours

Country Inn & Suites
2727 Monroe Hwy 165
Pineville, LA 71360

Registration Fee: \$199.00 in advance (Lunch is provided)

The informative seminar will cover sales tax versus use tax, exclusions and exemptions, taxable services, differences between state and local sales taxes, and electronic filing.

Registration for the LATA Seminar is to be submitted online at this link: <http://laota.wildapricot.org/event-2987498>

Make check payable to "LATA" and mail payment along with your invoice by **Friday, August 3, 2018** to: **Ron Carter**
LATA Seminar
P. O. Box 672
Bastrop, LA 71221

For your convenience, a block of rooms has been reserved at the Country Inn & Suites. Please make your reservation by calling (318) 641-8332. Reservations under the group code **LATA** must be made by **August 2, 2018** to enjoy the group room rate of \$89.00.

Please contact Ron Carter at (318) 283-5957 or Kressy Krennerich at (225) 621-2635 if you should have any questions or email Ron Carter at mpstc@bellsouth.net.

Visit us on the web: www.calcasieusalestax.org

Assistance in Processing Taxpayers' Sales & Use Tax Returns

During the month, mainly from the 19th through the 22nd of each month, the Sales Tax Office is very busy processing taxpayers' sales and use tax returns. Our office can always use your assistance to make the processing of returns faster and more efficient during these busy times. Here are some things you can do to help:

- Do not staple your check or remittance to your return.
- If you do not file the pre-printed returns sent to you each quarter, please write your correct Calcasieu Parish sales tax account number, business name, and the return period on your return.
- Make sure that the math is correct on your return.
- Be sure to sign and date your sales tax return.
- If you file your tax return on time by the 20th of the month, be sure to take advantage of the vendor's compensation on line 19 of the sales and use tax return. The dealer is compensated for accounting and remitting the tax levied by each respective ordinance at the rate of 1% of the tax that is due on line 18. However, vendor's comp is not allowed on returns transmitted after the 20th of the month in which the tax is due and payable.

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.



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.

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 for some time 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.

Decrease in Overall State of Louisiana Sales Tax Effective July 1, 2018

According to Revenue Information Bulletin No. 18-016 dated June 24, 2018, the overall state of Louisiana sales tax rate will be reduced from 5% to 4.45% beginning July 1, 2018. The overall state sales tax rate for the sale at retail, the use, the consumption, the distribution, and the storage to be used or consumed of steam, water, electric power, or energy, natural gas, or other energy sources for non-residential use ("business utilities"), will be 2% levied pursuant to LA R.S. 47:302. The new tax rate of 0.45% levied pursuant to LA R.S. 47:321.1 and the sales tax rate of 2% on business utilities imposed pursuant to LA R.S. 47:302 will sunset on June 30, 2025.

Please see the following State of Louisiana website link for more information on the sales tax decrease and table of the state sales tax rates for exemption and exclusions: <http://www.rev.state.la.us/SalesTax/SalesTaxRates>

Local Office Holidays

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

Labor Day..... Sept. 3, 2018
Election Day.....Nov. 6, 2018
Veteran's Day.....Nov. 12, 2018
Thanksgiving.....Nov. 19- 23, 2018
Christmas/New Year's.....
Dec. 24 – Jan. 4, 2019
MLK Day.....Jan. 21, 2019

Our regular office hours are 8:00 am to 4:30 pm. Our office is open during the lunch hour.

Cessation of State Sales Tax Holidays from July 1, 2018 to June 30, 2025

According to Revenue Information Bulletin No. 18-020 dated July 11, 2018, the Louisiana Sales Tax Holiday (first Friday and Saturday in August), the Louisiana Hurricane Preparedness Sales Tax Holiday (last Saturday and Sunday in May), and the Louisiana Second Amendment Weekend Sales Tax Holiday (first Friday through Sunday in September) are not among the list of approved exclusions and exemptions from the 4.45% state sales tax. Items of tangible personal property purchased during the sales tax holiday periods will be subject to the full state sales tax rate of 4.45% through June 30, 2025.

The local sales tax exemption for the Louisiana Second Amendment Weekend Sales Tax Holiday will still be available to taxpayers from September 7, 2018 through September 9, 2018.

Due Dates for Sales and Use Tax Returns

<u>Return:</u>	<u>Due By:</u>
July 2018.....	Aug. 20, 2018
Aug. 2018.....	Sept. 20, 2018
Sept. 2018.....	Oct. 22, 2018
Oct. 2018.....	Nov. 20, 2018
Nov. 2018.....	Dec. 20, 2018
Dec. 2018.....	Jan. 21, 2019
Jan. 2019.....	Feb. 20, 2019

Additional Tax Due on Purchases

Many times during the course of an examination, one of the recurring issues found is the incorrect tax rate paid on purchases subject to use tax. These are typically purchases made by a company for use or consumption during the course of their business.

When making a purchase, one should look closely at the tax rate charged on the invoice. If no tax or a lesser tax rate is charged, then it is the taxpayer's responsibility to accrue and remit the additional tax.

Example for lesser rates: You purchase material in Texas and pay a total of 8.25%. However, the material is to be used on a job where local tax is 10.2%. In this example, an additional 1.95% additional tax would be due the taxing jurisdiction.

Additional Use Tax Due Calculation Example

A company purchased \$1,000.00 worth of material. 8.25% sales tax (\$82.50) is charged on the invoice. The material is to be used in a jurisdiction in Calcasieu Parish where the tax rate is 10.2%.

1. Calculate the total tax due at the location of use.
 $\$1,000.00 \times 10.2\% = \102.00
2. Determine the tax paid on the invoice.
 $\$1,000.00 \times 8.25\% = \82.50
3. Calculate the additional sales or use tax due (difference in what was paid and what is due).
 $\$102.00 - \$82.50 = \$19.50$
4. Determine the adjusted taxable amount to report on line 14 – Purchases subject to use tax. (Additional tax due divided by the total local tax rate will equal the Taxable amount.
 $\$19.50 / 5.75\% = \339.13
5. Record the \$339.13 on line 14 of the Calcasieu Parish Sales Tax Return.

Excess Tax

Few dealers understand line item 17 (Excess Tax Collected) on the Calcasieu Parish Sales & Use Tax Return. In the instance where the total local sales or use tax collected during a reporting period exceeds the applicable percentage due on a certain type of merchandise or service, that extra is excess tax and must be remitted to the collector. Excess Tax is added to the tax due at that point on the return before any vendor's compensation is taken for timely filing of the sales & use tax return.

Computation of Penalties & Interest

Interest in delinquent sales or use tax will be calculated from the 1st of the month if not timely remitted, when due, until paid. This methodology calls for the daily computation of interest. On the other hand, **penalties** are imposed upon taxes not timely remitted (by the 20th) in 30-day segments. The initial 5% delinquency will not increase to 10% until the 21st of the following month.