

CALCASIEU TAX REVIEW

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SPECIAL EVENTS, CRAFT SHOWS, TRADE SHOWS, & OTHER EVENTS

Collecting sales tax at special events ensures fair treatment to all customers and vendors, and helps both the state and local economies. The vendor collects sales tax from the consumer and remits it to the appropriate taxing authority. The money collected funds schools, roads, and police and fire protection. All persons and entities making retail sales are to collect and remit local sales tax.

Special events include fairs, craft shows, trade shows, flea markets, art shows, farm markets, concerts, festivals, carnivals, swap meets, and fundraising events. They may also include conventions, picnics, and other gatherings where retail sales are made.

What is an event? – An event is an occurrence, occasion, activity, or function at which merchandise is sold or traded or taxable services are provided.

Who is a vendor? – A vendor is defined as a person or entity selling merchandise, providing a taxable service, or attending to an informational booth. A vendor may also be referred to as a seller, exhibitor, or booth owner.

Why must I collect and remit local sales taxes? – It is the law. Provided everyone complies, local sales tax ensures fair opportunity for all vendors.

Are admissions taxable? – Admissions to any place providing amusement, entertainment, or recreational services require local sales tax to be collected.

Is there local sales tax on food? – Local sales tax is required to be charged on all prepared food sales.

What if I didn't collect local sales tax? – Local sales tax is collected on all sales. Local sales tax may be added to the price of an item or included in the price of an item. If local sales tax is included in the price of an item, the vendor must post, in a conspicuous location, a sign stating that "*All prices include local sales tax.*" You will be responsible for the local sales tax whether you intentionally collected it or not.

"Use" Taxable or Not

This article may sound like an echo to some dealers, but the truth is "use tax" on the "use" of property is probably the least familiar tax incidence imposed by the Ordinance. Moreover, use tax deficiencies probably account for over 60% of the revenues collected through audits. Therefore, its importance should not be taken lightly.

The general concept of "use" as it relates to the imposition of "use tax" is commonly associated with the consumption, the distribution, or the storage of tangible personal property for use or consumption or the exercise of the right of power over tangible personal property.

While there are indisputable activities that constitute events of "use", it is not the intention of this taxing authority to tax property purchased for the eventual sale at retail. Further, "use" does not apply to material or property purchased for further processing or for combining property with other materials for the purpose of producing an article of tangible personal property that would subsequently be sold at retail as a finished product. At the time of retail sale, the materials combined to form the article of tangible personal property will be taxed.

As a general rule, materials must become an identifiable or significant part of the finished product in order to be recognized as a material that was combined with other materials or further processed. On the other hand, any material or property consumed or expended in the process of forming an article of tangible personal property is subject to "use tax" under the basic concept of "use".

Some examples of common articles of property that are subject to use tax because dealers exercise their power of use over them are office equipment, office supplies, business furniture, shop tools and equipment, and promotional products. Of course, dealers are always advised to make inquiries any time a question of taxation arises.

Did you know that dealers are required to provide a collector with accurate and updated information?

Per *Louisiana Revised Statute 47:337.29(C)*: "Any dealer shall have an obligation to use reasonable means to notify and provide a collector with accurate and updated information pertaining to its proper address and the names and contact information for those officers or directors, or members or managers having direct control or supervision over its local sales and use taxes and those charged with the responsibility of filing a dealer's sales and use tax return with the collector. This obligation shall be continuing and a dealer shall notify the collector of any changes, additions, or deletions within thirty (30) days of any change."



Keeping Adequate Records is MANDATORY

For a number of reasons, our Sales/Use Tax Ordinance stipulates the requirements of every dealer to keep records. In support of returns filed, proper records must be maintained.

Prior to the adoption of the Uniform Tax Code regulations, commonly known as the UTC, the local ordinance is quite factual about preserving adequate records. It states with emphasis that every dealer is required to keep and maintain suitable records of sales, purchases or the purchase of sale of services, as the case may dictate.

Further, Louisiana Revised Statutes 47:309 of the UTC communicates the system of records should be suitable enough to support the accuracy of every return filed with the sales tax office. Included among 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. Encompassed in 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 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 per the provisions of LA R.S. 47:309 of the UTC.

Local Office Holidays

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

Mardi Gras..... Mar. 4 – 6, 2019
Easter.....Apr. 19 – 26, 2019
Independence Day.....July 4, 2019

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

Due Dates for Sales and Use Tax Returns

<u>Return:</u>	<u>Due By:</u>
Jan. 2019.....	Feb. 20, 2019
Feb. 2019.....	Mar. 20, 2019
Mar. 2019.....	Apr. 22, 2019
Apr. 2019.....	May 20, 2019
May 2019.....	Jun. 20, 2019
Jun. 2019.....	Jul. 22, 2019
Jul. 2019.....	Aug. 20, 2019

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.

Visit us on the web: www.calcasieusalestax.org

REPORTING FREQUENCIES

The only reporting frequencies that are available to file your sales and use tax returns are:

- Monthly – file 12 times per year
- Quarterly – file 3 times per year
- Annually – file only 1 time per year

Our office does not offer an occasional reporting frequency.

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.

BAD DEBT REFUNDS

Before the Calcasieu Parish School Board Sales & Use Tax Department can issue a sales tax refund on a bad debt, the bad debt must actually be deducted on a federal income tax return.

According to the Louisiana Administrative Code 61:l.4369, Sales Returned to Dealer; Credit or Refund of Tax, "LA Revised Statute 47:315(B) and LA Revised Statute 47:337.34(B) provide a dealer with a method for claiming refunds for the recovery of taxes which have been remitted to the collector, but are later written off as uncollectible accounts from credit customers. Dealers submitting refund claims should be aware of the following restrictions specifically provided in or authorized by R.S. 47:315 and 47:337.34(B). Before the collector can issue a sales tax refund on a bad debt, the debt must actually have been deducted on a federal income tax return in accordance with Section 166 of the United States Internal Revenue Code. Since the issuance of refunds is tied to charge-offs on the annual federal return, the collector will process one refund per year for each dealer. The local credit or refund shall be granted whenever the Louisiana Department of Revenue has found the dealer entitled to reimbursement in accordance with R.S. 47:337.34(B)(1)."



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.