

# CALCASIEU TAX REVIEW

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## 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.

Visit us on the web: [www.calcasieusalestax.org](http://www.calcasieusalestax.org)

### Are Churches and Synagogues Exempt?

Church representatives have unknowingly declared themselves exempt from Sales and Use Tax based on Section 501(c)(3) of the U. S. Internal Revenue Code for some time. The fact is this exemption is more of a federal income tax advantage than a local advantage. In the past, there was an exemption for purchases of bibles, hymnals, and literature used for religious instruction classes. On April 17, 2006, the U. S. District Court for the Eastern District issued a preliminary injunction. As per LA Revenue Information Bulletin No. 06-022, dated 5/05/2006... "Unless and until the judicial injunction is lifted, these exclusions cannot be claimed." Churches, Synagogues, and the Society of the Little Sisters of the Poor will be required to pay the state and local sales/use tax on all of purchases including those previously exempt. Dealers are no longer authorized to accept exemption certificates in lieu of sales or use tax on any taxable purchase.

### To Give a Gift Card or Not to Give a Gift Card? That is the Question.....

Gift certificates and gift cards are not taxable at the time of purchase. The tax is due at the time of redemption of the gift certificate or gift card for tangible personal property. However, gift certificates or gift cards to a spa or hair salon for non-taxable services would not be taxable at the time of redemption.



### 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 3409; 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.

## 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.

## Local Office Holidays

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

MLK Day.....Jan. 20, 2020  
Mardi Gras.....Feb. 24-26, 2020  
Easter.....Apr. 10-17, 2020  
Independence Day.....July 3, 2020

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 and Hotel/Motel Returns

<b><u>Return:</u></b>	<b><u>Due By:</u></b>
Dec. 2019.....	Jan. 21, 2020
Jan. 2020.....	Feb. 20, 2020
Feb. 2020.....	Mar. 20, 2020
Mar. 2020.....	Apr. 20, 2020
Apr. 2020.....	May 20, 2020
May 2020.....	Jun. 22, 2020
Jun. 2020.....	Jul. 20, 2020
Jul. 2020.....	Aug. 20, 2020

## 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](http://www.salestaxonline.com) or <http://parishe-file.revenue.louisiana.gov> to get started.

## 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 61:11301 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.

## Property Labeled for Use Outside the Parish

The department is prohibited from levying or collecting a use tax on the storage of property that has been imported into the parish and is **earmarked or documented for exclusive use outside the parish.**

Although the subject property may be stored within the parish and if the owner of such property stores it for exclusive use outside the parish, the owner needs to acquire a Tax Exemption Certificate from the department. When a dealer receives a copy of the Tax Exemption Certificate from the purchaser (vendee), the dealer is relieved from the liability of collecting and remitting the use tax on the property sold. However, if the property is removed from storage and is used within the parish, it becomes subject to taxation (R.S. 47:337.12C).