

# CALCASIEU TAX REVIEW

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## 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).

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

### SALES TAX RATE LOOKUP TOOL

Taxpayers can now access the Louisiana Uniform Local Sales Tax Board sales tax rate lookup tool. This is a free online tool that taxpayers can use to lookup a street address to find the state and local sales tax rates, parish name, return column, vendor’s compensation rate, local interest rate, and local delinquency rate for any location in Louisiana by Geocode. In order to access this information, taxpayers should create a user name and password by clicking “**SIGN UP HERE**” at the link below:

<https://salestaxportal.com/login>

### 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.

## REQUEST FOR BUSINESS STATUS

Among the forms listed on our website is the "Request for Business Status." The Request for Business Status is an extremely valuable instrument for anyone interested in purchasing an ongoing business. The value of this form is in the protection it provides to the prospective buyer of a business. This protection can be measured in the facts revealed, especially when the business being sold has liabilities attached due to liens or other forms of assessments. A person buying a business who has failed to secure a completed "Request for Business Status" from our office can inherit the liabilities outstanding with our office. We recommend contacting our office in this regard before buying an ongoing business. More details are also available on the department website.

Other interesting and valuable forms found on our website are the "Power of Attorney" and the "Voluntary Disclosure." Again, these forms were designed with the protection of taxpayers in mind. There are other golden facts and forms available for taxpayer awareness, convenience, and protection. We continue to urge dealers to stay abreast of the latest information by visiting our website periodically. Our website can be accessed at the following address:

[www.calcasieusalestax.org](http://www.calcasieusalestax.org)

### Local Office Holidays

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

MLK Day.....Jan. 17, 2022  
Mardi Gras....Feb. 28 – Mar. 2, 2022  
Easter.....Apr. 15 - 22, 2022  
Independence Day.....Jul. 4, 2022

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

<u>Return:</u>	<u>Due By:</u>
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Dec. 2021.....	Jan. 20, 2022
Jan. 2022.....	Feb. 21, 2022
Feb. 2022.....	Mar. 21, 2022
Mar. 2022.....	Apr. 20, 2022
Apr. 2022.....	May 20, 2022
May 2022.....	Jun. 20, 2022
Jun. 2022.....	Jul. 20, 2022
Jul. 2022.....	Aug. 22, 2022

## Assistance in Processing Taxpayer's Sales & Use Tax Returns

During the month, mainly from the 19<sup>th</sup> through the 22<sup>nd</sup> of each month, the Sales Tax Office is very busy processing taxpayer's sales and use tax returns. Our office can always use your help to make the processing of returns faster and more efficient during these busy times. Here are some things that 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 tax return.
- Make sure that the math is correct on your return.
- Be sure to sign and date your sales tax return.
- Be sure to sign your check.
- If you file your tax return on time by the 20<sup>th</sup> 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 compensation is not allowed on returns transmitted after the 20<sup>th</sup> 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](http://www.salestaxonline.com) or <http://parishe-file.revenue.louisiana.gov> to get started.

**Have a question about sales or use tax? Email us at [salestax@cpsb.org](mailto:salestax@cpsb.org)**



### 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.