

CALCASIEU TAX REVIEW

Vol. 32, Issue 2

NELSON MARKET ECONOMIC DEVELOPMENT DISTRICT

CALCASIEU PARISH DEALERS IMPORTANT TAX NOTICE

TAX RATE TO INCREASE EFFECTIVE JULY 1, 2021

The Calcasieu Parish Sales & Use Tax Office wishes to inform all dealers of an impending rate increase to take effect July 1, 2021. This rate increase is for the **Nelson Market Economic Development District** that is located within the municipal limits of the City of Lake Charles. This is **NOT** for the entire City of Lake Charles. **Please visit our website for a map of the boundaries: www.calcasieusalestax.org.**

The sales tax rate increase of 1% will appear on Column N (Nelson Market Economic Development District) of the parish sales tax return. This increase will bring the overall rate for sales and use tax in Column N (Nelson Market Economic Development District) to 6.75%. The new rate will also reflect an increase of 1% hotel/motel tax on Column F (Nelson Market Economic Development District) of the parish hotel/motel return. This increase will bring the overall rate for hotel/motel tax in Column F (Nelson Market Economic Development District) to 6%.

Dealers are advised that their point-of-sale equipment (registers) will need to be modified to reflect the new rate which will allow them to collect the proper tax amount beginning on and after July 1, 2021. Their accounting systems will also require upgrading to account for the tax increase for billing as well as reporting purposes.

REAL PROPERTY CONTRACTORS TAKE NOTE:

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

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. They will need to be mailed to our office for processing. Typically, contractors and building materials and related suppliers are affected by these reporting 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.

Visit us on the web: 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 username 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.



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:

Labor Day.....Sept. 6, 2021
 Fall Break.....Oct. 11 - 12, 2021
 Veterans Day.....Nov. 11, 2021
 ThanksgivingNov. 22 - 26, 2021
 Christmas/New Year's.....
 Dec. 20 - 31, 2021
 MLK Day.....Jan. 17, 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>
Jul. 2021.....	Aug. 20, 2021
Aug. 2021.....	Sept. 20, 2021
Sept. 2021.....	Oct. 20, 2021
Oct. 2021.....	Nov. 22, 2021
Nov. 2021.....	Dec. 20, 2021
Dec. 2021.....	Jan. 20, 2022
Jan. 2022.....	Feb. 21, 2022

Direct Pay Certificates and Real Property Construction Contractors

It has come to our attention that some of the industrial businesses in our parish are providing their direct pay certificates to real property (immovable) construction contractors. This practice is incorrect.

On the face of the direct pay certificate, it clearly states that:

"This certifies that the undersigned (the industry) is a holder of a direct payment account with the Calcasieu Parish Sales Tax Department and that the 1.) tangible personal property, 2.) rental/lease, 3.) taxable services purchased from: (Vendor Name, Address, City, State, Zip) is exempt from the payment of Calcasieu Parish local sales taxes to the vendor under the provisions of R.S.47:337.15G of the Uniform Local Sales Tax Code."

There are clearly three situations in which a direct payment certificate can be used for:

1.) purchasing tangible personal property (movable property), 2.) rental or lease purchases, and 3.) purchases of taxable services. Please refer the Louisiana Revised Statutes 47:303G, 47:303.1, and 47:337.15G. Contractors or construction contracts are not listed.

There are only seven taxable services listed in the the Uniform Tax Code under Louisiana Revised Statutes 47:301(14) that apply to local taxing jurisdictions: 1.) furnishing of sleeping rooms, cottages or cabins by hotels; 2.) sale of admissions to places of amusement; 3.) furnishing of storage or parking privileges by auto hotels and parking lots; 4.) furnishing of printing or over printing, lithographic, multilith, bule printing, photstating or similar services of reproducing written or graphic matter; 5.) furnishing of laundry, cleaning, pressing and dyeing services; 6.) furnishing of cold storage space and furnishing of the service of preparing tangible personal property for cold storage; 7.) furnishing of repairs to tangible personal property.

Real property (immovable) construction contractors are not reselling materials to their customers, but are using the materials they purchase in the performance of their real property construction contracts to the industry they are working for. These contractors can either pay the sales tax when they purchase the materials or accrue (self-assess) the correct local jurisdiction's use tax (depending on the location of their job) and remit the use tax on line 14 (Purchases subject to use tax) of the local sales and use tax return.

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.

**Have a question
about sales or use
tax? Email us at
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.