

## **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.

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.

All questions may be directed to the tax department at 337-217-4280 ext. 3413 or through email directed to our office from our website [www.calcasieusalestax.org](http://www.calcasieusalestax.org) under the "Contact Us" section.