

IMPORTANT TAX NOTICE CALCASIEU PARISH DEALERS

COLUMN A TAX RATE TO INCREASE EFFECTIVE JANUARY 1, 2011

The Calcasieu Parish's Sales & Use tax Office wishes to inform all dealers of an impending rate increase to take effect January 1, 2011. The rate increase will appear in Column A of the parish tax return under the column designated for Unincorporated Areas Except Ward 1. Voters residing within Calcasieu Parish Police Jury's Sales Tax District 4-A approved the increase in an election held for this purpose October 2, 2010. The District encompasses all areas outside of the municipalities of Lake Charles, Sulphur, DeQuincy, Iowa, Westlake and Vinton except Ward 1 (Moss Bluff & Gillis communities). The new rate will reflect an increase of .25% which will bring the overall rate in Column A to 5.25%.

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 January 1, 2011. 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 only applies to lump sum or unit price construction contracts. It does not apply to cost plus or fixed fee based 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. 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 under the "Contact Us" section.