



Official Site of the Louisiana
Department of Revenue

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Frequently Asked Questions

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General Questions

What is the mailing address for individual income tax returns?

Louisiana Department of Revenue
P.O. Box 3440
Baton Rouge, La 70821-3440

How do I obtain forms?

Anyone needing forms should call (225) 219-2113. It is helpful if you know the form number that you are requesting. Forms can also be picked up at our main office or any regional office. Many forms may also be downloaded from this Department's web page at <http://www.rev.state.la.us>.

» [File Your Taxes Online For Free - Pay By e-Check](#)

What do I do if I owe taxes, but am unable to pay by the due date?

Submit your return by the due date. By filing timely, you avoid delinquent penalty. Any amount paid with your return will reduce the interest and late payment penalty charges. The Collection Division will bill you for any tax, interest, and penalties that are owed.

What do I do to set up arrangements to pay an outstanding tax liability?

Installment arrangements are handled by the Collection Division at (225) 219-7448

How do I check on the status of my refund?

To check on the status of your refund, call 1-888-829-3071. If you are calling from Baton Rouge, call 922-3270. These numbers are available 24 hours a day.

I do not live in Louisiana. How do I obtain a refund for taxes withheld from gambling winnings in Louisiana?

You must file Form IT-540B, Nonresident and Part-year Resident Form. To receive a copy of the form, you may call (225) 219-2113 and request a booklet.

What is the due date of the individual income tax return?

Returns are due by May 15.

Do I need a state extension?

Louisiana recognizes the extension granted by the Internal Revenue Service. An extension only extends the time to file the return, not the time to pay the tax due.

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Collections

What are guidelines that the Department uses to decide whether or not to waive penalties?

Requests for waiver of the penalty must be in writing from the taxpayer and notarized. Account should not have a past record of delinquent filings or

payments. Taxpayer should be current in filing all tax returns and remitting applicable taxes. All taxes, interest, and other penalties must be paid in full.

Why do I owe penalty and interest if I filed an extension?

An extension only extends the time to file the return, not the time to pay the tax due.

Why did you change my filing frequency?

The filing frequency was changed based on the amount of tax you reported for the past year. Taxpayers are notified of this change by mail.

How are interest and penalties computed?

Interest is computed at the rate of 15 percent per annum from the date the return is required by law to be filed until the date the tax is paid. For failure to file a return on time, a penalty of 5 percent of the tax accrues if the delay in filing is not more than 30 days. An additional 5 percent penalty accrues for each additional 30 days or fraction thereof during which the failure to file continues, not to exceed a total of 25 percent. For failure to pay the tax in full by the date the return is required by law to be filed, determined without regard to any extension of time for filing the return, a penalty of 0.5 percent of the tax not paid accrues for each 30 days during which the failure to pay continues, not to exceed a total of 25 percent.

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Corporation Income and Franchise Taxes

How does Louisiana tax a corporation that is classified by the IRS as an "S" (small business) corporation?

Louisiana taxes "S" corporations in the same manner as regular corporations, with one exception. For income tax purposes an "S" corporation will determine its items of income and expense in the same manner as if it were a regular "C" corporation for federal income tax purposes. However, a corporation classified by the IRS as an "S" corporation may be entitled to an exclusion of part or all of its income for Louisiana income tax purposes, depending on the percentage of shares owned by Louisiana resident individuals. In general terms, the portion

of income that can be excluded is determined by the ratio of outstanding shares owned by Louisiana resident individuals to total shares outstanding.

For franchise tax purposes the "S" corporation is taxed in exactly the same manner as a regular "C" corporation.

Since the classification of a corporation as an "S" corporation is a determination under federal law, any question of classification must be referred to the IRS.

How are Limited Liability Companies (LLC's) taxed for Louisiana income and franchise tax purposes?

An LLC is taxed and treated in the same manner for Louisiana income tax purposes as it is taxed and treated for federal income tax purposes. If the LLC is taxed as a corporation for federal income tax purposes the LLC will be taxed as a corporation for Louisiana income tax purposes. If it is considered a partnership for federal income tax purposes (the most common situation) then it is treated as a partnership for Louisiana income tax purposes.

An LLC is always treated as a partnership for franchise tax purposes and therefore is not subject to Louisiana franchise tax.

Who should I contact if I need a letter of good standing?

Letters of good standing on corporations are handled by the Taxpayer Services Division. Letters of good standing for individuals are handled by the Individual Income Tax Division.

Who should I contact if I do not know the account number for my corporation?

The Taxpayer Services Division should be contacted in order to get the proper instructions for obtaining these numbers.

If my corporation is inactive, do I need to file a corporate income/franchise return?

Yes. Returns need to be filed until the corporation is dissolved through the Secretary of State. There is a minimum \$10.00 yearly franchise tax for inactive

corporations.

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Excise

How do I report gasoline exchange purchases in the pipeline if the fuel never leaves the pipeline?

You do not report these on your GS-D return at all. If the gasoline stays in the pipeline until it reaches its out-of-state destination, then it is taxable in the state in which it is removed from the pipeline. If it physically is removed from the pipeline in Louisiana, it would be reported on the GS-D return as an import.

Who is exempt from paying the gasoline tax?

No one is exempt from the Louisiana gasoline tax. The first handler (importer or refiner) pays the tax to the state and passes it on to his customers.

What are the fuel requirements for a diesel truck in Louisiana?

You must do either of the following:

- a. Name and address (city and state) must be on both cab doors of the vehicle. The odometer or hubometer must be in working order. Sufficient fuel must be purchased in Louisiana to cover miles traveled here (will be based on 5 miles per gallon).
- b. Post a minimum \$1,000.00 Special Fuels User surety bond. Quarterly fuel tax returns required, whether operating or not.
- c. Join the International Fuels Tax Agreement (IFTA). Quarterly fuel tax returns are required whether operating or not. One return is filed to the jurisdiction where you are registered and covers all states you are operating in. You can only register in Louisiana if some of your vehicles are licensed in Louisiana; your business records are available to Louisiana; you are not registered for IFTA in any other jurisdiction. *IFTA REGISTRATION IS ONLY FOR VEHICLES WITH A REGISTERED VEHICLE WEIGHT GREATER THAN 26,000 LBS.*

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Gift Tax

When do I need to file a gift tax return?

Whenever a gift of more than \$10,000 is given to any one individual. The return and payment of taxes are due April 15th of the following year in which the gift was given.

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Inheritance and Estate Transfer Taxes

Does Louisiana impose any death taxes?

Yes, Louisiana imposes an inheritance tax (LRS-47:2401 thru 2425, inclusive), and an estate transfer tax (LRS-47:2431 thru 2437, inclusive). The inheritance tax is a tax imposed upon the heirs or legatees of a decedent for the privilege of receiving property from the deceased. Estate transfer tax is a tax designed to absorb the federal state death tax credit allowable under Section 2011 of the Internal Revenue Code. The estate transfer tax does not impose any additional tax burden on the decedent's estate, but merely shifts payment from the federal government to the state.

How is inheritance tax calculated?

Each heir or legatee receives an exemption which is subtracted from their inheritance or legacy in determining the amount taxable. The amount taxable is then multiplied by the applicable tax rates established by law. The exemption and tax rates to which each heir or legatee is entitled is based upon their relationship to the decedent.

How is estate transfer tax calculated?

The estate transfer tax is calculated by first determining a ratio of those assets included in the federal gross estate attributable to Louisiana to the total federal gross estate. The ratio is applied to the state death tax credit allowable under Section 2011 of the Internal Revenue Code. That portion of the credit allowable to Louisiana in excess of the inheritance tax due is estate transfer tax.

How are heirs/legatees classified for inheritance tax purposes? What is

forced heirship?

For inheritance tax purposes, heirs and legatees are classified according to their relationship to the deceased. The classes are as follows:

- a. Direct descendants or ascendants, by blood, adoption, or affinity, or surviving spouse of a decedent.
- b. Collaterals, including brothers or sisters by affinity and their descendants.
- c. Strangers.

What is forced heirship?

Forced heirship is a doctrine which guarantees to designated worthy heirs a portion of a decedent's estate. The "forced portion" is reserved for those stipulated heirs, whether a succession is testate or intestate.

Who is a forced heir?

A forced heir is any person whom a testator or donor cannot deprive of the portion of his estate reserved for them by law, except in cases where the law allows him to disinherit them.

How does the amendment to the constitution approved by the voters on October 21, 1995, change the forced heirship law?

The constitutional amendment approved by the voters on October 21, 1995 redefined forced heir to be "descendants of the first degree twenty-three years of age or younger, or descendants of any age who, because of mental incapacity or physical infirmity, are incapable of taking care of their persons or administering their estates."

To take advantage of these provisions, one must execute a will. Otherwise, in an intestate succession all property will be inherited by the decedent's children, subject to any usufruct in favor of the surviving spouse over any community property being inherited by the children.

What property is used as a measure of the inheritance tax?

Residents - all immovable property and all tangible movable property physically located in the State of Louisiana, and all intangible movable property, wherever it is situated, LRS-47:2404(A).

Nonresidents - all immovable property and all tangible movable property physically located in the State of Louisiana, LRS-47:2404(A).

What property is excluded as a measure of the inheritance tax?

LRS-47:2404(C) provides that from the property subject to tax there shall be excluded any proceeds receivable by any beneficiary, other than the decedent's estate, under a life insurance policy or retirement or pension plan. Retirement or pension plans include annuity contracts qualified under the Internal Revenue Code.

If all of my property is in a revocable living trust and not subject to probate, is it exempt from inheritance tax?

No. The fact that property is not a probate asset does not exempt it from inheritance tax. Because the settlor of a revocable living trust has the right to revoke the trust any time prior to death, it is the Department's position that all property in a revocable living trust must be included in the settlor's estate for tax purposes only.

What debts of the decedent are deductible?

LRS-47:2404(B) provides the only deduction authorized by statute. It applies to real estate owned by the decedent that is mortgaged for an amount that exceeds 50 per cent of its appraised value. The statute allows a reduction of a decedent's equity in the real estate by an amount equal to 20 per cent of the outstanding incumbrance. All other debts of a decedent are deductible on the basis of jurisprudence, which has held that it is only the net estate transferred at a decedent's death which should be taxed, Succession of Henderson, 211 La 707, 30 So 2d 889.

What property is used as a basis for determining the estate transfer tax?

Residents - all property attributable to Louisiana. This includes all immovable and tangible movable property physically located in Louisiana, and all intangible movable property, wherever situated.

Nonresidents - all property attributable to Louisiana. This includes all immovable property and all tangible movable property physically located in

Louisiana. The tax is not imposed with respect to any intangible movable property owned by a nonresident.

Are there any exemptions from estate transfer tax?

There are no exemptions from estate transfer tax. Estate transfer tax is a separate and distinct tax from the inheritance tax and the exemptions in the inheritance tax law do not apply to estate transfer tax.

Who is required to file an inheritance and estate transfer tax return?

LRS-47:2425 requires that an inheritance tax return be filed by or on behalf of the heirs and legatees of a decedent in any case where inheritance tax is due or where the gross value of the deceased's estate is \$15,000.00 or more. LRS-47:2436 requires that an estate transfer tax return be filed by or on behalf of the heirs or legatees in every case where estate transfer tax is due or where the value of the deceased's net estate is \$60,000.00 or more.

When is the return due?

LRS-47:2425(B) requires that the return be filed within nine months after death of a decedent.

Can I get an extension to file a return?

Yes, an extension can be granted for an additional six months, provided the request is received before nine months from the date of death.

What documents are required to be filed with the return?

LRS-47:2425(B) provides that a duplicate original of the return be filed accompanied with copies of:

- a. the affidavit of death and heirship;
- b. the inventory or sworn descriptive list;
- c. the federal estate tax return, when required;
- d. the will of the deceased, if any; and
- e. the petition for possession, or court order authorizing the succession representative to file a tax return by providing a preliminary listing of the distribution of possession.

In addition, Article 2951 of the Code of Civil Procedure provides that:

- a. a tableau of distribution may be filed in lieu of a petition for possession when the inheritance taxes are being paid by the heirs or legatees, or both, of a succession under administration; or
- b. a revocable inter vivos trust (i.e. copy of the trust instrument) may be filed in lieu of a petition for possession when the entire estate is being distributed pursuant to such trust instrument.

What is usufruct?

Usufruct is defined in Article 535 of the Civil Code as "...a real right of limited duration on the property of another." Black's Law Dictionary defines usufruct in part as: "...The right of using and enjoying and receiving the profits of property that belongs to another,...". The features of the right, according to Article 535, vary as to whether the nature of the things subject to it are characterized as consumables or nonconsumables.

What is usufruct of the surviving spouse?

Usufruct of the surviving spouse is provided by Article 890 of the Civil Code. It is a right acquired by operation of law and not by inheritance. Succession of Marsal, 118 La 212, 42 So 778. Under Article 890, a surviving spouse receives legal usufruct over any community property being inherited by the deceased spouse's descendants, provided testamentary disposition is not adverse to the usufruct. Succession of Waldron, Sup. 1975, 323 So 2d 434. A legal usufruct is one established by operation of law. Its value is not subject to inheritance tax, whereas, the value of a non-legal usufruct is subject to tax. The value of usufruct, legal or otherwise, is deducted from the value of the property on which it rests, in arriving at the value of that property for the purpose of determining the inheritance taxes owed by the persons inheriting the property.

For answers to other questions, call the Inheritance Tax Section at: (225) 219-0067, or write to:

Louisiana Department of Revenue
Inheritance Tax Section
P O Box 201

Baton Rouge, LA 70821-0201

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Personal Income Tax

I did not live in or receive income from Louisiana. Why did I receive an individual income tax bill?

The bill is based on information received from the Internal Revenue Service because your federal return was filed with a Louisiana address.

My husband (or wife) is deceased; the refund check has been issued in both names. How can I get the refund in my name only?

Return the check with Form R-6642 (IT-710), statement of claimant to refund due on behalf of deceased taxpayer, and a copy of the death certificate. Form R-6642 (IT-710) can be found on our web site under Tax Forms in the Personal Income Tax general forms area. This form and the death certificate should be mailed to:

Louisiana Department of Revenue
Taxpayer Services Division
Withholding Tax Section
Post Office Box 91017
Baton Rouge, LA 70821-9017

A new check will be issued in the surviving spouse's name.

How can I report someone who used my child/children's Social Security Number and claimed them on their return without my permission?

Submit a written request providing as much information about the individual who claimed your child together with your child's Social Security Number to:

Louisiana Department of Revenue
Office Audit Section
Personal Income Tax Division
Post Office Box 201

Baton Rouge, LA 70821-0201

What is the due date of the individual income tax return?

Returns are due by May 15.

Do I need a state extension?

Louisiana recognizes the extension granted by the Internal Revenue Service. An extension only extends the time to file the return, not the time to pay the tax due.

How can I file an amended return?

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, you must file an amended Louisiana return (Form IT-540, Resident Return, or IT-540B, Nonresident and Part-year Resident Return, whichever is applicable). A corrected return for the tax year being amended should be submitted along with an explanation of the change(s) and a copy of the federal amended return, Form 1040X, if one was filed. The return should be clearly marked with an "X" in the "Amended Return" box. Do not make any adjustments on Lines 17A and/or 17B for refunds previously received or for payments previously made. This information is already on file. The amended return should be mailed to:

Louisiana Department of Revenue
Post Office Box 3440
Baton Rouge, LA 70821-3440

My refund was mailed three days ago and I have not received it yet.

Please wait two weeks before reporting it to the Department. If after two weeks you have not received the check, please write, fax, or contact the Department by telephone to request an "initial taxpayer inquiry regarding refund" form to report that your refund has not been received. This form is also available on our website. The completed form should be mailed to:

Louisiana Department of Revenue
Taxpayer Services Division
Post Office Box 91017

Baton Rouge, LA 70821-9017
(225) 219-0102
FAX (225) 219-2447

Are Native Americans exempt from Louisiana individual income tax?

Income earned or received by a tribal member living on the reservation or land held in trust for the tribe is not subject to Louisiana income tax if such income is derived from sources within the boundaries of the tribal land or outside of the State of Louisiana. If a tribal member or nontribal member earns income or derives wages from service performed outside the boundaries of the tribal land, but within the State of Louisiana, such income is taxable. Income earned by nontribal members working within the boundaries of tribal land is subject to Louisiana tax. All income earned by a tribal member living off the reservation is subject to Louisiana income tax.

Do I need to file a Louisiana individual income tax return if I am due a refund?

Yes. Without your return and W-2 form, the Department will not know how much tax credit to give you.

If I move before I receive my Louisiana individual income tax refund check, will it be forwarded to me?

No. Refund checks are not forwarded by the Post Office. They are returned to Baton Rouge. You will need to contact the Department to have your address changed on the computer and your refund check mailed to your new address.

Why do I still have to file a return when I am getting a refund too small to worry about?

A tax return is needed to document the withholding and tax liability.

I am a resident of Texas and won money at a Louisiana Casino and they held out Louisiana taxes. Do I get back all that was held out?

Any nonresident with income (winnings) from Louisiana sources who is required to file a federal individual income tax return must file a Louisiana return reporting income earned. If the amount withheld is overpaid, a refund of the difference will be issued or credited.

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Sales Tax

To what transactions is sales tax applied?

The state general sales and use tax is levied on the following transactions:

- a. The sale of tangible personal property in this state.
- b. The use, consumption, distribution, or storage for use or consumption in this state of any tangible personal property.
- c. The lease or rental within this state of any item or article of tangible personal property.
- d. The sales of certain services as defined in Revised Statute 47:301(14). Those services are the furnishing of sleeping rooms by hotels; the sale of admissions to places of amusement and to athletic and recreational events, and the furnishing of privileges of access to amusement, entertainment, athletic, or recreational facilities; the furnishing of storage or parking privileges by auto hotels and parking lots; the furnishing of printing and over printing; the furnishing of laundry, cleaning, pressing, and dyeing services; the furnishing of cold storage space and the preparation of property for such storage; the furnishing of repairs to tangible personal property; and the furnishing of intrastate telecommunications services.

All sales, use, consumption, distribution, storage for use or consumption, leases, and rentals of tangible personal property are taxable, unless an exemption or exclusion is provided by law for a particular transaction. In the case of service transactions, only the particular transactions enumerated in the law are taxable.

What is the sales tax rate in Louisiana?

The aggregate rate of state sales tax is four percent, which consists of three point ninety seven percent (3.97%) Louisiana sales tax and point zero three percent (.03%) Louisiana Tourism Promotion District sales tax. Intrastate telecommunications and sales of prepaid telephone cards and prepaid telephone authorization numbers are taxed at three percent. Interstate telecommunication services are taxable at 3% until April 1, 2004, at which time the rate will be

reduced to 2%. (Other reduced rates apply. See "exemptions", below.)

Sales and use taxes levied by political subdivisions of the state are in addition to the sales and use taxes levied by the state. Local sales tax rate information can be obtained from the web site of the Louisiana Association of Tax Administrators at <http://www.laota.com>.

There are many similarities between the state sales and use tax and the sales taxes levied and collected by political subdivisions of the state. However, there are also significant differences, especially in regard to exemptions and suspensions of exemptions. Businesses should fully acquaint themselves with state sales tax statutes and local ordinances that are applicable to their specific businesses. The Department of Revenue and local sales tax administrators are happy to assist with this.

Are there any exemptions from the sales tax?

Yes. There are a number of exclusions and exemptions from the sales tax. Certain types of transactions have been excluded from the definitions in Revised Statute 47:301 making the tax inapplicable to them. Other transactions which normally would be subject to the tax under Revised Statute 47:301 have been exempted or excluded from the tax under Revised Statute 47:305. Various statutory exemptions have been partially and temporarily suspended since July 1, 1986. Among the major transactions that are subject to the various suspension rates of tax are sales of newspapers, boiler fuel, propane and other liquefied petroleum gases used for home heating and meals furnished to the staff and students of certain institutions. For the most current information relating to sales tax rates on suspended exemptions, contact the Taxpayer Services Divisions at (225) 219-7356.

Effective July 1, 2003, food for home consumption and residential utilities are exempt from state sales tax.

Non-residential electricity, natural gas, steam and water are subject to a partial exclusion phase-out, beginning July 1, 2002, at which time the rate was reduced from 4% to 3.9%. On July 1, 2003, the rate reduced to 3.8%.

Computer custom software became subject to a phased-in sales tax exclusion on July 1, 2002. For detailed information about this four-year phase-in, see Revenue Ruling No. 02-008/, on this webpage.

Numbers of consumer-related exemptions and tax preferences are not suspended, and are fully in effect. These include:

- purchases of tangible personal property to be used exclusively for lease or rental as tangible personal property,
- drugs prescribed by a physician or dentists,
- orthotic and prosthetic devices and wheelchairs and wheelchair lifts prescribed by physicians or licensed chiropractors for personal consumption or use,
- the sale or purchase of any ostomy, ileostomy, or colostomy device or any other appliance including catheters or any related item which is required as the result of any surgical procedure by which an artificial opening is created in the human body for the elimination of natural waste,
- patient aids prescribed by a physician or licensed chiropractor for home use,
- any and all medical devices used exclusively by the patient in the medical treatment of various diseases or administered exclusively to the patient by a physician, nurse, or other health care professional or health care facility in the medical treatment of various diseases under the supervision of and prescribed by a licensed physician,
- orthotic devices, prosthetic devices, prostheses and restorative materials utilized by or prescribed by dentists in connection with health care treatment or for personal consumption or use,
- sales of insulin,
- the purchase or rental by private individuals of machines, parts therefor, and materials and supplies which a physician has prescribed for home renal dialysis,
- and articles traded-in on new articles.

For detailed information concerning exclusions, exemptions, and suspensions of exemption, please refer to the exemption table contained in the department's

Sales Tax Law and Regulations Publication (available on our web site at or contact the Taxpayer Services Division, Taxpayer Assistance Section, at (225) 219-7356. or contact the Sales Tax Division, Taxpayer Assistance Section, at (225) 219-7356.

I am a wholesaler, selling only to other dealers for resale. Do I have to collect and remit state sales tax?

Yes. Louisiana law contains an advance sales tax provision under which manufacturers, distributors, and other persons making wholesale sales must collect the tax on sales of tangible personal property to other dealers for resale.

However, some wholesalers and retailers can qualify for advance sales tax exemption "W" numbers that exempt them from the payment of the advance sales tax. Applications must be submitted to and approved by the Department. The application, Form R-1318, may be obtained, with an Adobe Acrobat Reader from the department's website at: <http://www.rev.state.la.us> or by telephoning the Taxpayer Services Division, Taxpayer Assistance Unit at (225) 219-7356.

I am a dealer who is registered to collect and remit the sales tax. How do I receive a credit or refund for the advance sales tax I pay on my purchases for resale?

Dealers paying the advance sales tax may deduct the actual amount of tax paid on purchases for resale as a credit against the tax due on their sales tax return. This is a refundable credit that should be taken on the return corresponding to the month in which the tax was paid, regardless of when the items were sold. Refer to line 12 of your sales tax return.

Do I have to collect sales tax on charges for labor?

Under certain circumstances, labor charges are taxable. Labor to fabricate or repair movable property is taxable. Labor charges to construct or repair immovable, or real, property are not subject to sales tax.

I made a purchase of property for my own use from a vendor who did not collect the sales or use tax from me. Is the purchase taxable? If so, which of us will the department expect to remit the tax? Can I as the purchaser ever be held liable for any tax on my purchase?

If the property you purchased is tangible personal property and is subject to sales tax as described above, then the purchase is subject to sales tax even though your vendor did not collect it. The vendor acts as an agent on behalf of the state in collecting the sales tax due. In the event the vendor does not collect the sales tax, the department may seek to collect the sales tax from the seller or the purchaser. This issue is addressed in the court case Collector of Revenue v. J. L. Richardson Company, (App. 4 Cir. 1971, 247 So.2d 151) and by the definition of dealer under LAC 61:I.4301.

How do I remit the sales tax on a taxable purchase that I made on which the vendor did not collect the tax?

If you are registered to collect and remit sales tax, the tax should be remitted directly to the state by reporting the purchase amount on line 2 of your Louisiana sales tax return. Louisiana also has provisions in the individual income tax return by which citizens may report and remit the tax due on personal purchases on which sales tax was not collected by the vendor. The form is entitled "Consumer Use Return" and can be found on the department's website.

Are sales to churches and nonprofit organizations subject to sales tax?

Yes, sales to churches and nonprofit organizations are subject to sales tax unless they are specifically exempted by statute. The designation of tax-exempt status by the IRS provides for an exemption only from income tax and in no way applies to sales tax.

When is the sales tax return due? What happens if I am late?

The tax return is due on or before the 20th day of the month following the close of the calendar month or quarter reporting period. Interest at 1.25 percent per month and penalty at 5 percent for each 30 days, or portion thereof, of delinquency, not to exceed 25 percent, will be assessed on delinquent returns. Dealers whose state tax liabilities can be shown to average less than \$500 per month can ask to be placed on a quarterly filing status.

When must I report a transaction on my sales tax return? Can I delay reporting a sale made on credit until the sales proceeds are collected?

Transactions for the sale or purchase of tangible personal property or taxable

services must be reported on the dealer's sales tax return for the month or quarter in which the sale was made, the service rendered, or the purchased property was imported into the state for use, regardless of when the proceeds of sales are collected, or when payment to the seller is required. Revised Statute 47:306(A)(2)(a) provides, however, that the reporting on sales tax returns of the gross proceeds from rentals and leases can be deferred until the dealer's sales tax return for the month or quarter in which payment is received. Revised Statute 47:303(F) provides a special rule for the remittance of the sales tax payments for memberships in health and physical fitness clubs. This statute says that the tax shall be assessed and shall be due and payable on a monthly basis computed on the amount paid each month less any actual or imputed interest or collection fees or unpaid reserve amounts not received by the health and physical fitness club.

Can I receive an extension of the filing deadline?

Yes. If a request is made in writing on or before the due date of the return, an extension may be granted for up to 30 days from the due date of the return as provided by Revised Statute 47:306(A)(4). Interest at 1.25% of the tax per month is payable on any return filed after the normal filing deadline.

Does the state of Louisiana require electronic payment of the tax?

Yes, under certain circumstances. Currently, If payments made in connection with the filing of any return, report, or declaration during the prior 12-month period average \$20,000.00 or more, the taxpayer is required to remit the subsequent respective tax or taxes electronically or by other immediately investable funds. The Department notifies taxpayers that are required to pay electronically 90 days prior to the due date of their first electronic payment.

On January 1, 2004, the twelve-month average will reduce from \$20,000 to \$15,000. On January 1, 2006, it will reduce again to \$10,000. And on January 1, 2008, the twelve-month average will reduce to, and remain, \$5,000.

Is there an exemption for the purchase of motor vehicles for lease or rental? If so, how do I obtain the exemption? What if my business is located out of state?

Yes, if certain criteria are met, an "L" number exemption may be issued upon

approval from the Department. In order to qualify the following conditions must be met.

- a. The taxpayer must be registered to collect state sales tax.
- b. Each separate location must have its own account number.
- c. Each separate location must have its own license from the Motor Vehicle Commission or the Used Motor Vehicle and Parts Commission.
- d. The taxpayer must have a license issued by the Motor Vehicle Commission before the application for an "L" number can be approved.

The "L" number exemption is only valid for the sales tax account number to which it is issued. The exemption certificate for purchases for one business location may not be used by another location of the same business. Each location must apply for and receive its own exemption. The application is form number R-1380-L and may be obtained by contacting the Taxpayer Services Division Taxpayer Assistance Section at (225) 219-7356.

If I do not have any sales or purchases for a certain month, do I still need to file a sales tax return?

Yes. If a return is not filed, an assessment will be billed for that period.

How do I get a sales tax-exempt number for a non-profit organization?

Non-profit organizations are not generally exempt from sales tax on purchases in Louisiana. The tax exemption applies to income tax for the corporation.

Do businesses with Internet sales have to collect Louisiana sales tax on their sales?

Internet sales are treated the same as catalog sales for sales tax purposes. If the business has a presence in Louisiana or delivers into Louisiana in its own trucks, it should register for and charge Louisiana sales tax on the sales it makes to Louisiana customers.

What can I do with bad debts?

Before the Department can issue a sales tax refund on a bad debt, the debt must actually be deducted on a federal income tax return. The Department will process one refund claim per year for each dealer. If all or some portion of the

debt is collected, the gross amount collected shall be reported as a new sale for the period when the recovery is made.

What are the criteria for determining if an item is a component of an immovable?

To determine if an item is a component of an immovable, the taxpayer should ask whether or not the item being removed will cause substantial damage to the property.

How is a taxpayer selected for audit?

A taxpayer is selected randomly or by some unusual item reported.

Why should I have to pay taxes on items that the vendor did not charge me tax on?

If you purchase an item for use within the state of Louisiana, use tax is owned on that item. Companies that do not have nexus (i.e., no salesperson within the state, no office within the state, no property within the state, etc.) with Louisiana are not required to collect Louisiana sales tax.

Are rentals with an operator taxable?

Rentals with an operator are not taxable because this is a service being provided. The Louisiana sales tax law does not list this as one of the taxable services.

How can a taxpayer get sales tax information for the Department?

Contact Taxpayer Services or, contact us and submit your inquiry through our sales tax inquiry mailbox on this webpage. Division at (225) 219-7356 or write Department of Revenue. Find out when is the next available workshop.

When did magazine subscriptions and newspapers become taxable?

Magazine subscriptions and newspapers were previously exempt under Revised Statute 47:305D(1)(e). The exemption, like many others, has been suspended at varying rates since 1986. At the time of this writing (2003), the exemption is fully suspended, and magazines and newspapers are subject to 4% state sales tax. For later, or more accurate information, refer to the latest suspension information posted on this webpage.

If a vendor does not charge us sales tax, isn't that their fault? Why don't you go to the vendor to collect the tax?

If the vendor would have charged the tax, you would have paid it to the vendor when paying the invoice. The final consumer owes the tax even if the vendor fails to collect it.

Revised Statute 303. Collection

A. Collection from dealer.

(1) "The tax imposed under Revised Statute 47:302 shall be collectible from persons, as hereinafer defined, engaged as dealers, as hereinafter defined."

(2) "On all tangible personal property imported, or caused to be imported, from other states or foreign countries, and used by him, the "dealer", as hereinafter defined, shall pay the tax imposed by this Chapter on all articles of tangible personal property so imported and used, the same as if the said articles had been sold at retail for use or consumption in the state..."

Can a taxpayer file a consolidated sales tax return if they have more than one business located in Louisiana?

The taxpayer needs to request an Application for Consolidation from Central Registration and they will make the determination if you qualify for the consolidation.

Filers of Automobile Rental Excise Tax and all hotels and motels in Louisiana are prohibited from filing on a consolidated basis. These taxes are dedicated in whole or in part to special parish funds in the state Treasury, and therefore, each location must report individually.

Do I have to get an exemption certificate on all my customers?

Yes, you must have a valid certificate for all of your customers.

How to be a quarterly filer, as I seldom have taxable transactions.

Dealers whose sales tax liabilities averages less than \$500 per month after filing six returns may apply to file on a quarterly basis.

I am in the air conditioning and heating business. We sell, service and install heating and cooling systems. We pay the sales tax on our purchases of these systems. We have a contract to install a cooling system to a state agency. Do we owe the use tax on the purchases that go into this job?

Yes. The fact that these purchases are for a state agency does not exempt you, as a contractor, from the use tax due on these purchases.

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Special Investigations

Do you offer rewards for information given?

No, we do not offer any reward for information provided to us, however in certain instances the Internal Revenue Service does offer a reward for information that leads to a criminal conviction. Contact the IRS Fraud program.

Are you the IRS?

No. The IRS is the Federal Agency responsible for the enforcement of the Federal tax laws as prescribed by Congress. We are the Louisiana Department of Revenue, the State agency responsible for the enforcement of the Louisiana State tax laws as prescribed by the Louisiana State Legislature.

Do you have a number for the IRS?

You may contact the IRS at the following numbers:

For general tax assistance: 1-800-829-1040

Concerning a bill or assessment: 1-800-829-8815

To check the status of a refund: 1-800-829-4477

To call the IRS Fraud Hotline: 1-800-829-0433

If you would like to personally meet with an IRS representative, call the general information line, 1-800-829-1040, and inquire as to whether there is a local IRS office in your community. In the Baton Rouge area, the local IRS office is located at:

3535 South Sherwood Forest Blvd.
Suite 257
Baton Rouge, LA 70816

Do we make arrests?

Our Special Agents are not commissioned peace officers, therefore we do not have the authority to make arrests. In situations where an arrest may be warranted we will normally request the assistance of commissioned peace officers in the ATC Division of the Department of Revenue or officers in the local Sheriff's department or Louisiana State Police.

Do you investigate businesses for not withholding taxes from employees' salaries?

We perform a cursory review of all information that is submitted to us to determine if a criminal, rather than a civil, investigation is warranted. In many cases in which employers are not properly withholding taxes from their employees' salaries, we refer the matter to our civil audit staff and to the Internal Revenue Service for their consideration. Often at times it is a matter of making the employer aware of what his withholding responsibilities are, rather than an intentional violation of our tax law. However, in cases where an employer is withholding from his employees' salaries, but not remitting those withholdings to the Department of Revenue, we will strongly consider conducting a criminal investigation of the employer. Violations of this type can be considered a theft of State monies, which is a felony under Louisiana law.

How will I know if you have investigated my complaint?

Because of the provisions contained in our disclosure laws, we are not allowed to divulge any information regarding our investigations to our informants or anyone else not authorized to receive the information. We can assure you, however, that we will review the information you provide and proceed with whatever action is warranted, either by pursuing a criminal investigation into the matter or by referring it to one of our civil divisions for consideration and possible audit.

When can I call you back to see how the investigation is going?

We appreciate the information that is provided to us by our outside informants.

However, due to the restrictions contained in our disclosure laws, we will not be able to divulge any information to you regarding the status of our investigation.

Can you find out who used my child's Social Security Number?

At this time, the Louisiana Department of Revenue does not request or catalog the Social Security Number of a dependent, so we do not have that information at our disposal. In addition, we would not be able to divulge that information to you due to the restrictions contained in our disclosure laws. The IRS, however, does catalog and crosscheck the social security numbers of dependents claimed on Federal tax returns, so we recommend that you contact them if you suspect that someone is illegally claiming your child as their dependent. The IRS number to call is 1-800-829-1040. If you suspect that someone claimed your child illegally in order to obtain money provided through the Earned Income Credit provision on his or her Federal return, you should contact the IRS Fraud Hotline at 1-800-829-0433.

What do you do about someone who has claimed someone who is not their dependent on their income tax return?

Since the Louisiana State Income Tax Return is based on ("piggybacks") the Federal tax return, we usually forward any reports concerning questionable claiming of dependents to the Internal Revenue Service for their consideration. Based on a formal exchange agreement between the IRS and the Louisiana Department of Revenue, the IRS, after conducting any return examinations necessary, will provide us with a copy of their audit report(s). This will then enable us to make the corresponding adjustments to the State income tax returns that are affected.

Who do I talk to about someone who hasn't filed taxes in several years?

You can contact us, the Special Investigations Division of the Louisiana Department of Revenue, at 225-219-2280. We also recommend that you contact the IRS Fraud Hotline at 1-800-829-1040.

Do you read people their constitutional rights?

Reading someone their constitutional rights, normally referred to as providing the Miranda warning, is generally not required unless the subject of a criminal

investigation is being arrested or taken into custody by a law enforcement officer. Since most of our interviews of the Subject of a criminal investigation are done in a non-custodial setting, we are not required to read the Subject his or her constitutional rights. However, in an effort to protect the individual's Fifth Amendment rights, as well as to safeguard the admissibility of any information we obtain during the interview for use in a later court proceeding, we will generally make the Subject aware that he is free to leave the interview at any time, is not required to provide us with any information if he feels that it might incriminate him, and that he has the right to consult with his attorney before proceeding, if he chooses.

How long will it take to do an investigation?

In general, the statute of limitations for a criminal violation is four years from the date the act was committed, so we are usually bound to conduct and conclude our investigations within that overall time frame. Our investigations consume varying amounts of time, depending on such factors as availability of resources within the Department, as well as the availability of information being gathered from sources outside of the Department of Revenue. Within the constraints of these many varying factors, we always strive to conclude our investigations as efficiently and expeditiously as possible.

If I give you my name, will you keep it confidential?

We depend on information provided by outside informants to help us uncover violations of our State Revenue laws that might otherwise go undetected. As such, we will make every attempt possible to safeguard your identity and will not volunteer that information. However, we cannot guarantee that we will not be required to reveal your identity by some type of judgment or ruling in a later court proceeding.

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Withholding Tax

I have not received my "coupon book", how can I request one?

Duplicate coupon books may be obtained by calling the CIFT Division, Withholding Tax Section @ (225) 219-0102. Please be sure to verify that we

have your most current address on file.

How can I register for Withholding Tax?

Contact Central Registration Section of the department @ (225) 219-7318. They will send you an application to register for Withholding Taxes and assign a Louisiana Revenue Account Number.

What employees are we required to withhold taxes on?

Withholding for residents - Wages earned in Louisiana are subject to Louisiana Income tax withholding. Wages earned in another state are also subject to Louisiana withholding unless the other state has an income tax. If the other state has an income tax no Louisiana withholding is required on the wages earned in that state.

Withholding for nonresidents - Wages earned in Louisiana are subject to Louisiana income tax withholding. If a nonresident employee performs services partly inside and partly outside the state, only wages for services performed within the state are subject to withholding, provided the employee files with the employer an Employee's Withholding Exemption Certificate (L-4). If no certificate is filed, all of the wages paid to the employee are subject to withholding.

Does Louisiana require withholding on pensions, retirement income and annuities?

Withholding is not required but may be requested by the recipient of the funds.

Are we required to file on magnetic media? If so, what are the specifications?

If you have 250 or more employees wage statements it is mandatory. If you have less than 250 employees it is optional. (NOTE: For Louisiana specifications, please refer to "Tax Forms", "Withholding", "[Magnetic Media Specifications](#)")

If I find I have remitted an incorrect amount of withholding, what should I do?

File an amended L-1 return for the period you are correcting. When filing an

amended return, please be sure to mark the box designed on the return to ensure proper processing.

When is the Annual Reconciliation (L-3) due and what accompanies this return?

The annual reconciliation is due on or before the first business day following February 27 of each year or on or before the 30th day after the day on which the final payment of wages is made whichever is earlier. Every employer must file an Employers Annual Reconciliation of Louisiana income tax withheld (L-3). The employer must transmit Copy A of the federal form W-2 for each employee for which they are reporting wages and withholding for the year. An adding machine tape or list must accompany this indicating the total withholdings.

8/19/2004

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