

Regular Session, 2012

HOUSE BILL NO. 1120

BY REPRESENTATIVE LAMBERT

TAX/SALES & USE: Use and administration of resale certificates for the local sales and use tax exclusion for sales for resale

1 AN ACT

2 To amend and reenact R.S. 47:301(10)(a)(ii), relative to exclusions from local sales tax; to  
3 provide with respect to the exclusion for the resale of certain services from local  
4 sales tax; to clarify certain provisions; to provide with respect to compliance with  
5 rules and regulations; to provide for the acceptance by a local collector of a resale  
6 certificate; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:301(10)(a)(ii) is hereby amended and reenacted to read as  
9 follows:

10 §301. Definitions

11 \* \* \*

12 (10)(a)

13 \* \* \*

14 (ii) Solely for purposes of the imposition of the sales and use tax levied by  
15 a political subdivision or school board, "retail sale" or "sale at retail" shall mean a  
16 sale to a consumer or to any other person for any purpose other than for resale in the  
17 form of tangible personal property, or resale of those services defined in Paragraph  
18 (14) of this Section provided the retail sale of the service is subject to sales tax in this  
19 state. and shall mean and include all such transactions as the collector, upon  
20 investigation, finds to be in lieu of sales; provided that sales for resale be made in

1 strict compliance with the rules and regulations. Any dealer making a sale for resale,  
 2 which is not in strict compliance with the rules and regulations shall himself be liable  
 3 for and pay the tax. A local collector shall accept a resale certificate issued by the  
 4 Department of Revenue, provided the taxpayer includes the parish of its principal  
 5 place of business and local sales tax account number on the state certificate.  
 6 However, in the case of an intra-parish transaction from dealer to dealer, the  
 7 collector may require that the local exemption certificate be used in lieu of the state  
 8 certificate. The department shall accommodate the inclusion of such information on  
 9 its resale certificate for such purposes.

10 \* \* \*

---

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Lambert

HB No. 1120

**Abstract:** Clarifies procedures for a local tax collector's acceptance of a resale certificate for the sale of services.

Present law provides that solely for purposes of the imposition of the sales and use tax levied by a political subdivision or school board, "retail sale" or "sale at retail" shall mean a sale to a consumer or to any other person for any purpose other than for resale in the form of tangible personal property.

Present law provides that the following services shall be subject to sales tax: the furnishing of sleeping rooms, cottages, or cabins by hotels; the sale of admissions to places of amusement, athletic entertainment other than that of schools, colleges and universities, and recreational events, and the furnishing, for dues, fees, or other consideration of the privilege of access to clubs or the privilege of having access to or the use of amusement, entertainment, athletic, or recreational facilities; the furnishing of storage or parking privileges by auto hotels and parking lots; the furnishing of printing or similar services of reproducing written or graphic matter; the furnishing of laundry and cleaning services and storage space for clothing, furs and rugs; and the furnishing of cold storage space; the furnishing of repairs to tangible personal property.

Proposed law requires, for purposes of determining whether a sale is a sale for resale, that a local collector accept a resale certificate issued by the Dept. of Revenue, provided the taxpayer includes the parish of its principal place of business and local sales tax account number on such certificate. Proposed law further provides that in the case of an intra-parish transaction from dealer to dealer, the collector may require that the local exemption certificate be used in lieu of the state certificate.

(Amends R.S. 47:301(10)(a)(ii))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Deleted the provision of proposed law which would have changed the required level of compliance with rules and regulations necessary to determine whether or not a sale was a sale for resale.
2. Added discretion for a tax collector to require a taxpayer to provide a local tax exemption certificate in the case of an intra-parish transaction from dealer to dealer.