

**EAST BATON ROUGE PARISH
SALES AND USE TAX RULES AND REGULATIONS**

*Supplement No. 1 to August 1, 2000 - Fourth Edition
September 1, 2001*

This supplement contains the additions and amendments to the local sales and use tax laws made through the 2001 Regular Session of the Louisiana Legislature. Several administrative changes are also included in this supplement.

1) **Tax rates on Page ii.**

Effective October 1, 2001, the local sales and use tax rate in the incorporated City limits of Baker will change from 2% to 2½%.

2) **Rule 1 - Bracket Schedule**

B. 1. On all taxable transactions in the taxing jurisdiction, other than those listed in Subsection C below, the following table shall apply:

5% Tax Table	
Purchase Price	Amount of Tax
.01 - .09	.00
.10 - .29	.01
.30 - .49	.02
.50 - .69	.03
.70 - .89	.04
.90 - 1.09	.05

On each additional one dollar of purchase price, the tax is determined by multiplying the sales amount by 0.05, and rounding the result to the nearest cent.

B. 2. On May 5, 2001, the voters in the City of Baker approved a 1/2% sales and use tax increase. The total local sales and use tax rate in the City limits of Baker will change from 5% to 5½% effective October 1, 2001. The following table applies to taxable transactions in the City of Baker beginning October 1, 2001:

5½% Tax Table	
Purchase Price	Amount of Tax
.01 - .09	.00
.10 - .27	.01
.28 - .45	.02
.46 - .63	.03
.64 - .81	.04
.82 - .99	.05
1.00 - 1.18	.06

On each additional one dollar of purchase price, the tax is determined by multiplying the sales amount by 0.055, and rounding the result to the nearest cent.

- E. The brackets provided herein are applicable only to transactions that are taxable by the taxing jurisdiction. Similarly, the rates apply only to the 3%, 5%, and 5½% tax collected by the Finance Director and do not include taxes levied by the State of Louisiana.
- 3) **Rule 35 - Lease or Rental of Tangible Personal Property - Property Purchased for Lease or Rental Purposes**
- A. According to Act 1266 of 1999, tangible personal property purchased for the purpose of being leased or rented is excluded from local sales and use taxes. The exclusion is phased-in as follows:
- Beginning July 1, 1999, and ending June 30, 2000, one-fourth (1/4) of the sales or cost price is excluded.
 - Beginning July 1, 2000, and ending June 30, 2001, one-half (1/2) of the sales or cost price is excluded.

- Beginning July 1, 2001, and ending June 30, 2002, three-fourths (3/4) of the sales or cost price is excluded.
- Beginning July 1, 2002, purchases of tangible personal property for lease or rental purposes will be totally excluded from sales and use taxes.

The lessor or renter (rental dealer who owns the property) will owe local sales and use tax on the “sales price” or “cost price” of movable property purchased that is not excluded from local sales and use tax. Automobiles and motor vehicles purchased for rental/lease are exempt from local sales and use tax as provided in Rule 35 (K).

- H. Whether the owner of tangible personal property is in fact renting or leasing the property or is in reality furnishing a non-taxable service, depends upon the degree of control over the property retained by the owner. As an example, the owners of various types of equipment, such as boats, draglines, trucks, tractors or automobiles, may furnish the equipment to the user complete with an operator. In this situation, the owner of the equipment is performing a non-taxable service, even though the person paying the fee directs the specific use of the equipment. The owner, through furnishing the operator, has retained sufficient control over the property to remove it from the rented or leased category. The fact that a separate charge is made for the salary of the operator is immaterial. The “sales price” or “cost price” of tangible personal property purchased for the purpose of furnishing equipment with an operator is not excluded from sales and use tax. The provisions of Act 1266 do not apply to property furnished with an operator.

4) **Rule 103 - Waiver of Penalty**

- B. Penalty waivers not exceeding \$10,000 are approved by the Revenue Manager. Penalty waivers exceeding \$10,000 must be approved by the Finance Director.

5) **Rule 108 - Exempt Organizations**

The following organizations, agencies, commissions, etc., are exempt from paying the local sales and use tax:

Assessor	Food Banks
Baton Rouge Port Commission	Greater Baton Rouge Airport
Baton Rouge Recreation & Parks Commission	District
City of Baker	Lane Memorial Hospital
City of Baton Rouge	Louisiana Lottery Corporation
City of Zachary	Parish of East Baton Rouge
Clerk of Court	Public Schools and School Boards
Coroner	Registrar of Voters
Court Systems	Safety Council of Greater Baton Rouge
Demco (Electrical Co-op)	Sheriff
District Attorney	State of Louisiana
Federal Credit Unions	State Universities
	The American Red Cross

6) **Rule 110 - Enterprise Zone Program**

3. Filing Deadlines Strictly Enforced

Taxpayers should review the Enterprise Zone contract to determine filing deadlines. The contract allows for a 60-day period to file for rebates. An additional 60-day extension can be granted upon written request prior to the end of the initial 60-day period. If the rebate is requested after the deadline, the rebate request will be denied in its entirety.

4. Required Documentation

When filing for rebates, the request must include a worksheet which includes the following information:

- Description of the Item Purchased
- Invoice Number
- Name of the Vendor
- Invoice Date
- Purchase Price
- Amount of State Sales Tax
- Amount of City-Parish Sales Tax
- Tax Paid to Vendor
- Tax Paid to the City-Parish

An invoice must be provided for every item listed on the worksheet. The invoice should indicate whether tax was paid, the delivery dates, and what items were purchased. If tax was paid, this tax must have been remitted to the City of Baton Rouge - Parish of East Baton Rouge by the purchaser or vendor to be eligible for the rebate.

If tax was not charged and your business accrued the tax directly to the City-Parish, then detailed accrual documentation is required. We also require this detailed accrual documentation for transactions involving contractors and subcontractors. This documentation must prove that accrued taxes were actually remitted to the City of Baton Rouge - Parish of East Baton Rouge.

5. Common Reasons Rebate Requests are Denied

The following is a list of reasons that invoices are commonly denied for rebate:

- The vendor was not registered with East Baton Rouge Parish.
- The vendor had insufficient sales tax remittances to East Baton Rouge Parish.
- The purchase did not comply with contract requirements.
- Sales tax was not paid to the vendor.
- Local sales tax for another jurisdiction was charged by the vendor.
- Mathematical errors are found in the worksheet submitted with the refund request.
- Additional information is needed regarding the purchase.
- Copies of invoices are not provided.
- The invoice amounts are adjusted as a result of vendor's compensation taken.

7) **Rule 118 - Medicare and Medicaid Transactions**

- B. According to Act 60 of the 2001 Legislative Session, effective July 1, 2001, the sale, lease or rental of tangible personal property covered under the provisions of Medicare is excluded from local sales and use tax.