

# *TAX FACTS*

## *EAST BATON ROUGE PARISH*

Department of Finance

Vol. 13, No. 2

April 2002

### **Baker Increases its Sales and Use Tax**

On May 5, 2001, the voters in the City of Baker approved a ½% sales and use tax rate increase. This tax is only applicable to taxable transactions occurring within the incorporated city limits of Baker, including property delivered into the city. Proceeds from this tax will be used to fund salary increases for Baker Police and Fire personnel. Sales of food for home consumption, sales of prescription drugs, and medically related items are subject to the additional ½% sales and use tax. As a result, the total local sales and use tax in the City of Baker increased from 5% to 5 ½% effective October 1, 2001.

### **Local Sales and Use Tax Renewal**

On November 17, 2001, the voters of East Baton Rouge Parish approved the **renewal** of a ½% sales and use tax applicable to taxable transactions in the City of Baton Rouge, the Parish of East Baton Rouge, the City of Baker, and the City of Zachary. This renewal is for a period of 5 ½ years beginning July 1, 2002 and continuing through December 31, 2007. Proceeds from the tax will be used for building new public roads and streets, and repairing and improving public roads and streets in the City of Baton Rouge, the Parish of East Baton Rouge, the City of Baker, and the City of Zachary. Certain foods, drugs, and other medically related items remain exempt from the tax.

Due to the renewal of this tax, the local sales and use tax rate in the City of Baton Rouge, the Parish of East Baton Rouge, and the City of Zachary will remain at 5%. Local sales and use tax rate in the City of Baker will remain at 5 ½%.

### **The Applicability of Sales Tax and Occupancy Tax on Hotel Rooms**

The rentals of hotel/motel rooms to government employees on official government business in this parish are exempt from sales and use taxes and hotel-motel occupancy taxes. This office will require the guest claiming the exemption to follow existing procedural rules as defined by the Louisiana Department of Revenue and present an executed "Certificate of Government Exemption" at the time of check-in.

The Sales and Use Tax Ordinance defines "Sales of Services" to include the furnishing of rooms by hotels and tourist camps as a service subject to sales tax.

The term "hotel" is defined as any establishment engaged in the business of furnishing sleeping rooms, cottages or cabins to transient guests when such establishment consists of six or more guest (sleeping) rooms at a single location. The term "tourist camp" means any establishment engaged in the business of furnishing rooms, cottages or cabins to tourists or other transient guests when the number of guest rooms, cottages or cabins at a single location is six or more. The classification is determined by the type of guest (transient or permanent) accommodated and the number of units at each location. It is immaterial whether or not cooking and eating facilities are provided. If an establishment contains less than six sleeping rooms, cottages or cabins, sales tax does not apply.

Sales tax applies only to charges made to transient guests. Whether the guests of a particular establishment are transient or not must be determined on the basis of the facts of each case. A guest who pays for a room by the month and who resides in the establishment for at least 60 consecutive days shall be considered a permanent guest and sales tax would not apply. The hotel-motel occupancy tax does not apply to a guest who rents a room for 30 or more consecutive days or on an annual contract basis. Sales taxes and hotel-motel occupancy taxes paid to an establishment during the first 60 or 30 days referred to above are not refundable.

## How Important Is A Postmark Date?

The Revenue Division computer system uses the U.S. Post Office postmark on the envelope in determining whether a return is current or delinquent. The due date for all registered filers is the 1<sup>st</sup> of the month in which the sales and use tax is due. A return is considered delinquent after the 20<sup>th</sup> of the same month (see Tax Facts, October 1995). If the 20<sup>th</sup> falls on a weekend or holiday, the return must be postmarked by the next work day. Any taxpayer whose return is postmarked after the delinquent date will receive a notice of additional tax (forfeiture of vendor's compensation), penalty, and interest due. The return will be considered as a partial payment, and the taxpayer will receive delinquent notices until final remittance is made.

The U.S. Post Office postmark is used to enforce the assessment of penalty and interest and the loss of vendor's compensation. It is the responsibility of each dealer to ensure that sales and use taxes are transmitted in a timely manner. Additionally, dealers should be aware that giving their return to their route postal worker on the 20<sup>th</sup> could result in a delinquent return if the envelope is not postmarked until the next day. To avoid this situation, all taxpayers are urged to mail early to ensure that their returns are recognized as filed timely.

### Sales Tax Due Dates

Following are the sales tax due dates for the second quarter of 2002:

| <u>For the Month of</u> | <u>Tax Due Date</u> | <u>Delinquent Date</u> |
|-------------------------|---------------------|------------------------|
| April                   | May 1               | May 21                 |
| May                     | June 1              | June 21                |
| June                    | July 1              | July 23                |

### Need help?

Taxpayers may call the Revenue Division to receive assistance at the following telephone numbers between the hours of 8 a.m. and 5 p.m., Monday - Friday.

|                          |                |
|--------------------------|----------------|
| Sales/Use Tax            | (225) 389-3084 |
| Occupational License Tax | (225) 389-3278 |
| Fax Number               | (225) 389-5369 |

### Taxpayer Topics

Tax Facts is issued quarterly by the Department of Finance/Revenue Division to provide information concerning developments and policies regarding the collection of local sales tax within East Baton Rouge Parish.

The Revenue Division invites any suggestions, questions or comments that you would like addressed in future issues of Tax Facts. Please address these items to:

City of Baton Rouge  
Department of Finance  
P. O. Box 2590  
Baton Rouge, LA 70821-2590

**ATTENTION: Steve Thomas, Assistant Revenue Manager**  
or send e-mail to  
[stthomas@ci.baton-rouge.la.us](mailto:stthomas@ci.baton-rouge.la.us)

Department of Finance - Revenue Division  
222 St. Louis Street, Fourth Floor  
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