

**Revenue Ruling
No. 01- 016
November 15, 2001
Sales and Use Tax**

**Dealers Allowed to Absorb Sales and Use Tax
Under Certain Circumstances**

Act 245 of the 2001 Regular Legislative Session amended R.S. 47:304(F) to allow a dealer to absorb all or part of the sales and use tax or to relieve the purchaser from paying all or any part of the tax when the dealer has met certain conditions.

A dealer may advertise or make known to the public, either directly or indirectly, that he will absorb the tax or relieve the purchaser from paying all or any part of the tax if:

- a. The dealer includes in the advertisement that any part of the tax not paid by the purchaser will be remitted on behalf of the purchaser by the dealer; and
- b. The dealer provides the purchaser with written evidence that the dealer will be liable for and will pay any tax that the purchaser did not pay. Written evidence may be printed on the invoice or sales ticket.

Any dealer who advertises or makes known to the public that he will absorb the tax or will relieve the purchaser from paying any part of the tax should retain sufficient records to show that he is in compliance with the statute. In the event of an audit, the dealer will be required to furnish the department with the following:

1. A copy of the invoice or other written evidence that the dealer provided to the purchaser. The amount of the tax that the dealer agreed to remit on behalf of the purchaser must be separately shown on the invoice or other written evidence. Statements such as "All taxes included" are not acceptable.
2. A copy of the advertisement, declaration, or other means by which the dealer informed the public that all or a part of the tax would be paid and remitted on behalf of the purchaser by the dealer.

In addition to complying with the above provisions, a dealer should not restrict the offer to absorb the tax or to relieve the purchaser from paying all or any part of the tax to a particular class of persons.

For further information, please contact the Policy Services Division at 225-219-2780.

Cynthia Bridges
Secretary

By: _____
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the public and to Department of Revenue employees. It is a written statement issued to apply principles of law to a specific set of facts. A Revenue Ruling does not have the force and effect of law and is not binding on the public. It is a statement of the department's position and is binding on the department until superseded or modified by a subsequent change in statute, regulation, declaratory ruling, or court decision.