

LOUISIANA

DEPARTMENT *of* REVENUE

Louisiana Department of Revenue OFFICE AUDIT DIVISION
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INSTRUCTIONS Pollution Control Devices | Sales/Use Tax Refund Claim Form

The Louisiana Department of Revenue (LDR) will accept claims and issue refunds for the four percent Louisiana State sales/use tax paid on the purchase or lease of tangible personal property used or intended for the purpose of eliminating, preventing, treating or reducing the volume or toxicity or potential hazards of industrial pollution of air, groundwater, noise, solid waste, or hazardous waste in the state.

A Pollution Control Equipment Sales/Use Tax Exemption/Refund Application, R-1349, must be completed and submitted to LDR with all required certifications and documentation.

Page 1 of the application requires a list of major equipment components involved in the pollution control device or system. This list should not include cost amounts. It should include descriptions of the items purchased or leased. LDR will forward this list to the Louisiana Department of Environmental Quality for review or approval.

Page 4 of the application requires that a list of all tangible personal property purchased or leased for use or intended for the purpose of pollution control accompany the completed application. This list should be separated into four (4) schedules. These schedules will be reviewed by LDR to verify your sales tax refund claim and should be formatted as follows:

Schedule A: This schedule should list those items purchased or leased by the applicant on which no state sales/use taxes were paid to the vendor, but were accrued and paid to LDR by the applicant.

This schedule should list vendor name, invoice number, invoice date, purchase amount, description of each item, period tax was accrued, and amount of accrued tax paid to LDR.

- » A copy of the applicant's accrual account highlighting the entry for the accrual of tax for each item should also be included with this schedule.
- » If the applicant failed to timely remit the use tax due on these purchases, interest and penalties will be deducted from the refund if not remitted prior to receipt of the refund claim.
- » Legible copies of all invoices in excess of \$15,000 must be included with this schedule.
- » The applicant's Louisiana state sales/use tax account number must be provided.

POLLUTION CONTROL DEVICES REFUND GUIDELINES

Schedule B: This schedule should list this items purchased or leased by the applicant and state sales/use tax was paid to the vendor.

This schedule should list vendor name, invoice number, invoice date, purchase amount, amount of Louisiana state sales tax paid on each purchase, and a description of each item.

- » Legible copies of all invoices in excess of \$15,000 must be included with this schedule.

Schedule C: This schedule should list the items purchased by the contractor(s).

The schedule should list the contractor name, vendor name, invoice date, invoice number, amount of purchase, tax amount, and a brief description of each item.

- » Legible copies of all invoices in excess of \$15,000 must be included with this schedule.

Schedule CA: This schedule should list the items purchased by the contractor(s) on which no tax was paid to the vendor, but were accrued and paid to LDR by the contractor(s).

This schedule should list vendor name, invoice number, invoice date, purchase amount, description of each item, period tax was accrued, and amount of accrued tax paid to LDR.

- » Legible copies of all invoices in excess of \$15,000 must be included with this schedule.
- » The contractor(s) Louisiana state sales/use tax account number must be provided.

All schedules should list invoices in chronological order and show monthly totals in the 4% tax paid column.

The name and telephone number of a contact person familiar with this refund claim should also be included.

Qualifying items include all equipment, purchased or leased, that is included in the working of the pollution control device itself and all component parts of that device.

Non-qualifying items include:

- » small hand tools,
- » safety equipment,
- » blueprints,
- » photographs,
- » purchases made by a contractor that do not become a component part of the device;
- » repairs to existing equipment and rentals.

Credit will **NOT** be given on progress payments until actual delivery of the tangible personal property. Invoices to substantiate 100% of the taxes paid or accrued on this property must be submitted with the refund claim.

NOTE: After three years from the 31st day of December of the year in which the tax became due, no refund or credit for an overpayment shall be made **unless a claim for refund or credit has been filed and received by the Secretary from the taxpayer claiming such refund or credit on or before the expiration of said three year period.**

Failure to submit all of this information may result in processing delays.

Included in this brochure are forms and examples of:

- » **R-1349** - Pollution Control Equipment Sales/Use Tax Exemption/Refund Application
- » **LAC 61:I.4302** - Pollution Control Devices and Systems Excluded from the Definition of "Sale at Retail"
- » **Schedules A, B, C, and CA**

If you have any questions regarding your application and claim for refund of Louisiana state sales/use tax paid, please contact the Office Audit Division at 225.219.2270 or by visiting our website at <http://revenue.louisiana.gov/>.

☑ **RULE** Louisiana Department of Revenue | Louisiana Administrative Code 61:I.4302

Under the authority of Revised Statute 47:301(10)91) and in accordance with the provisions of the Administrative Procedures Act, R.S. 49:950, et.seq., the Secretary of the Department of Revenue has adopted the following rule, L.A.C. 61:I.4302.

This regulation, promulgated pursuant to Act 1019 of the 1991 Regular Session of the Louisiana Legislature, establishes the qualification criteria and application procedures for the state sales tax relief provided under R.S. 47:301(10)(l), which excludes pollution control devices and systems from the definition of “sale at retail.”

§4302. Pollution Control Devices and Systems Excluded from the Definition of “Sale at Retail”

A. This Section describes the conditions under which certain sale or lease transactions involving tangible personal property used for pollution control purposes may be excluded from the definition of sale at retail for purposes of the 3 percent tax levied by this Chapter and the Louisiana Tourism Promotion District. It contains the qualifications which must be met by the property under consideration, the requirements which are imposed upon the applicant for the tax relief granted under this Act, and the procedures to be followed in applying for the relief.

B. Definitions.

For purposes of this Section, the following terms shall have the meaning ascribed herein.

Act or This Act—Act 1019 of the 1991 Regular Session of the Louisiana Legislature.

Industrial Application—the use, construction, or installation of a pollution control device or system by a business which is primarily engaged in the exploration for or mining of minerals, the manufacture or processing of raw materials into tangible personal property for resale, or the processing, treatment, disposition, control or containment, of polluting materials produced by another business.

Pollution—the environment of the state by any means that would tend to degrade the chemical, physical, biological, or radiological integrity of such environment. Pollution includes solid

waste, hazardous waste, sludge, chemical waste, radiological wastes, noise, and any other pollutants resulting from industrial emissions, discharges, or releases into air, water, or land.

Pollution Control Device or System—any one or more pieces of tangible personal property which is intended and installed for the purpose of eliminating, preventing, treating, or reducing the volume or toxicity or potential hazards of industrial pollution of air, water, groundwater, noise, solid waste, or hazardous waste in the state of Louisiana and which has been approved by the Department of Environmental Quality and the Department of Revenue and Taxation for the tax relief granted by this Act.

C. Qualifications.

To qualify for the tax relief provided under this Act, a pollution control device or system must comply with the following requirements.

1. It must demonstrate to the Department of Environmental Quality its efficacy to a particular process or application. The equipment must be approved by both the Department of Environmental Quality and the Department of Revenue and Taxation in order to be excluded from the definition of sale at retail for state sales and use tax purposes.
2. It (or the applicant) must demonstrate either:
 - a. a net decrease in the volume or toxicity or potential hazards of pollution as a result of the installation of the device or system; or

- b. that installation is necessary to comply with federal or state environmental laws or regulations.
- 3. It must be intended for use in an industrial application. Use in residential, commercial, recreational, or other applications do not qualify.

D. Restrictions.

This exclusion and the tax relief provided under this Act does not apply to:

- 1. modifications to processes carried out primarily for reasons other than the reduction of pollution;
- 2. installation or replacement of existing process units carried out primarily for reasons other than the reduction of pollution;
- 3. vehicles used to assist in operations.

E. Application and Documentation

- 1. Applicants seeking relief under this Act must submit an application to the Department of Revenue and Taxation for a certification of the pollution control device or system.
- 2. The respective departments may require the applicant to provide cost estimates, engineering drawings, equipment specification sheets, and any other documentation necessary to establish the identity and value of the property qualifying for the exclusion. The documentation must be sufficient to enable the Department of Environmental Quality to establish the efficacy of the pollution control device or system, and to allow the Department of Revenue and Taxation to ascertain the allowable tax relief.
- 3. After receiving certification from the Department of Environmental Quality, a certificate of tax exclusion and/or refund of taxes paid on approved pollution control equipment will be issued by the Department

of Revenue and Taxation. Applicants must assemble and consolidate all invoices on purchases made by themselves and their subcontractors. Refunds will not be issued to subcontractors.

- a. Owners and/or operators of qualifying pollution control devices or systems may apply for certification and refund of taxes paid on or after September 6, 1991, and prior to the date of certification.
- b. In order for a pollution control device or system to qualify as tax free at the time of purchase, applicants must have received a certification of approval from the Department of Environmental Quality and the Department of Revenue and Taxation prior to the purchase or lease of the equipment. The applicant, or contractors who are duly authorized to act as an agent of the applicant, may present an approved certification in lieu of the tax at the time of purchase.
- c. If the application for the tax exemption on the pollution control device or system cannot be processed and approved before purchases are made or property is imported into the state for the project, the state sales or use tax shall be paid at the time of purchase or importation. Tax refunds will be issued upon approval of the project and the filing of proper claims. Applicants filing for refunds will have purchased and installed, or intend to install, the pollution control device or system.
- 4. The owner and/or operator must report the final cost of the pollution control devices or systems to the Department of Revenue and Taxation. Audits and inspections may be performed by the respective departments to ascertain the efficacy of the equipment. The tax refund will be forfeited if the pollution control device or system does not meet the requirements of this Act.

5. Approval of the equipment for a sales tax refund does not relieve the applicant from obtaining any other permits otherwise required for the pollution control device or system, including permits to install or construct prior to start of construction.
6. Each application for tax relief must be signed by an officer, principal, or other person authorized to act in the behalf of the applicant, and must be accompanied by a certification affidavit executed by the owner and/or operator and a certification affidavit executed by a professional engineer. Both certification affidavits will be prepared on the application form supplied by the Department of Revenue and Taxation.

G. Confidentiality.

Applications and all documentation and cost information which are submitted to the Department of Revenue and Taxation under this Act are considered confidential taxpayer information under the provisions of R.S. 47:1508. Information which pertains to pollution control devices or systems costs will be maintained only at the office of the Department of Revenue and Taxation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:301(10)(l)

HISTORICAL NOTE: Promulgated by the Louisiana Department of Revenue and Taxation, Sales Tax Division, LR 18:1414 (December 1992).