



REBATE GUIDELINES

State of Louisiana
Department of Revenue
Office Audit Division
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State of Louisiana
Department of Revenue

Enterprise Zone Program
Louisiana State Sales/Use Tax Rebate

LOUISIANA REVISED STATUTE 51:1787 (INCENTIVES)

The Department of Revenue will accept claims and issue rebates for Louisiana State Sales/Use taxes paid on construction materials, machinery, and equipment purchased during the construction period to be used on the approved site of the project indicated on the Enterprise Zone contract. These claims will be accepted only after this department receives a copy of the signed contract from the Department of Economic Development.

This contract **does not** authorize any Louisiana State Sales/Use tax exemption on any purchases. Neither the contract holder nor any of its contractors or subcontractors is authorized to make tax free purchases from vendors.

The Claim for Rebate of Louisiana State Sales/Use Taxes Paid Form must be submitted no later than six months after the project's completion or six months after the date of the governor's signature on the contract, whichever is later. However, effective August 15, 2003, contract holders may be granted a 30 day extension to file the Claim for Rebate application provided the Department of Revenue receives the request for extension prior to the expiration date for filing the original application (six months after the project's completion or six months after the date of the governor's signature on the contract, whichever is later). The Department has also been given the authority to grant an additional extension of time, not to exceed 60 days, if the contract holder can show reasonable cause for granting such extension. Request for an additional extension must be received by the Department of Revenue prior to the expiration of the 30-day extension of time to file. The following must accompany the claim form:

1. Appropriate schedules, as explained on Item III of the attached Information Sheet, listing materials, machinery, and equipment with vendor names, invoice numbers, delivery dates, purchase amounts, Louisiana State Sales/Use tax paid on each purchase, and a brief description of each item. The Louisiana State Sales/Use tax is levied at the rate of 4% on purchases made in or delivered to Louisiana.
2. A certification stating the materials, machinery, and equipment included in the Claim for Rebate of Louisiana State Sales/Use Taxes Paid will be or have been delivered to and used on the site in the approved Enterprise Zone project. Louisiana State Sales/Use taxes paid on construction equipment, leases/rentals, and consumables that are not actually incorporated into the Enterprise Zone project are not eligible.
3. A certification stating that the 4% Louisiana State Sales/Use taxes have been paid on the items listed.
4. A list of all contractors and subcontractors including addresses and contract amounts.
5. A copy of each invoice totaling \$15,000 and greater. A description of the purchased item(s) must be listed on each invoice.

Failure to submit this information may result in processing delays.

Included in this packet are forms and/or examples of:

- Information Sheet
- Policy in Relation to Lease Agreements
- Claim for Rebate of Louisiana State Sales/Use Taxes Paid
- Rebate Worksheet
- Explanation of Disallowance Codes
- Schedules A, B, C, and CA

If you have any questions regarding your Claim for Rebate of Louisiana State Sales/Use Taxes Paid, please contact the Office Audit Division at 225-219-2270.



State of Louisiana
Department of Revenue

Enterprise Zone Program
Louisiana State Sales/Use Tax Rebate

INFORMATION SHEET

I. Qualifying Items

- A. Materials that originate from a contractor/subcontractor's inventory and are located permanently at the Enterprise Zone project site during the Project/Construction Period are eligible for sales/use tax rebates. In order for rebates to be issued on property withdrawn from inventory, the contractor/subcontractor must have in place financial accounting, property accounting, and sales/use tax accrual and payment systems to enable the LDOR to verify that Louisiana sales or use taxes were paid on the property for which rebate is claimed.
- B. Machinery and/or equipment purchased for the Enterprise Zone project site during the Project/Construction Period are eligible for sales/use tax rebates, provided that the machinery and equipment are located permanently at the enterprise zone site, are owned by the entity having the enterprise zone contract with the state, and are expected to remain at the enterprise zone site after construction is completed for the expected useful life of the completed structure or for the expected useful life of the machinery and equipment, whichever duration is shorter.
- C. Machinery and or equipment transferred into Louisiana for the Enterprise Zone project site during the Project/Construction Period are eligible for sales/use tax rebates, provided that the machinery and equipment are located permanently at the enterprise zone site, are owned by the entity having the enterprise zone contract with the state, and are expected to remain at the enterprise zone site after construction is completed for the expected useful life of the completed structure or for the expected useful life of the machinery and equipment, whichever duration is shorter..
- D. Software purchased, capitalized, and used by the applicant primarily at the Enterprise Zone project site during the Project/Construction Period are eligible for sales/use tax rebates.
- E. Lease-purchases may be eligible for a sales/use tax rebate upon LDOR's approval. The property acquired through lease-purchase must be located permanently at the enterprise zone site, must be owned by the entity having the enterprise zone contract with the state, and must remain at the enterprise zone site after construction is completed for the expected useful life of the completed structure or for the expected useful life of the leased-purchased property, whichever duration is shorter. A copy of the lease-purchase agreement must be submitted with the Claim for Rebate Request to LDOR, Office Audit Division.

II. Non Qualifying Items

- A. Small hand tools (wrenches, screwdrivers, paint brushes, etc.); safety equipment (goggles, gloves, respirators, glasses, etc.); blue-prints; and photographs.
- B. Spare parts and repairs to equipment will be disallowed, however, replacement parts that are acquired at the time of equipment purchase are acceptable.
- C. Purchases made by contractors that do not become a component of the building or passed on to the contract holder.
- D. Vehicles licensed for road use.

- E. Consumable items are not eligible for sales/use tax rebate. A partial listing of ineligible items are: per diem, labor, service contracts, storage, freight, radios, laptop computers, utilities, permits and fees, office supplies, construction consumables, blades, drill bits, PVC sheeting, tape, gloves, dust masks, and all leases and rentals.
- F. Ineligible items listed on Schedule A of the Enterprise Zone Contract.

III. Rebate Request Should Be Formatted In the Following Manner

- A. **Schedule A** should list items purchased by the contract holder and no Louisiana State Sales tax was paid on the purchases.
 - 1. The contract holder should have accrued and paid the Louisiana State Use tax directly to the Department of Revenue. Please note, if it is determined that the Use tax was not remitted, then tax, interest, and penalties must be paid prior to submission of the rebate claim. If not, interest and penalties on those accruals will be deducted from the rebate.
 - 2. This schedule should list vendor name, vendor invoice number, delivery date, purchase amount, a brief description of each item, **tax period on which the items were accrued**, and the amount of Use tax paid.
- B. **Schedule B** should list items purchased by the contract holder and the amount of Louisiana State Sales tax that was paid to vendor(s).
 - 1. This schedule should contain vendor name, vendor invoice number, delivery date, each purchase amount, amount of Louisiana State Sales tax paid on each purchase, and a brief description of each item.
- C. **Schedule C** should list items purchased by the contractor and the amount of Louisiana State Sales tax that was paid to vendor(s).
 - 1. This schedule should list the contractor name, vendor name, vendor invoice number, delivery date, each purchase amount, amount of Louisiana State Sales tax paid on purchase, and a brief description of each item.
- D. **Schedule CA** should list items purchased by the contractor and no Louisiana State Sales tax was paid on the purchases.
 - 1. The contractor should have accrued and paid the Louisiana State Use tax directly to the Department of Revenue.
 - 2. This schedule should list contractor name, vendor name, vendor invoice number, delivery date, each purchase amount, brief description of each item, **the contractor's Louisiana Sales/Use tax account number**, tax period on which the items were accrued, and the amount of Use tax paid

For all Schedules:

- “Delivery Date” means date when materials were delivered to the Enterprise Zone Project Site
- Subtotal each page

- E. Purchases on Schedule A and/or Schedule CA should be listed in chronological order by tax periods.
- F. Purchasers claiming items taken out of inventory must be able to verify that the Louisiana State Sales tax was paid or accrued on each item.

- G. Submit a legible copy of all invoices \$15,000 and greater. All invoices must be maintained should additional information be required during the audit of your claim by this department.
- H. Credit will **not** be given on progress payments until actual delivery of the tangible property to the approved Enterprise Zone site. All progress payment invoices (100%) must be submitted to substantiate taxes paid on this property.
- I. Credits taken on any schedule must be accompanied by an explanation. If the credit is from a previous claim, indicate the date the claim was submitted, and identify on which schedule the invoice number and amount were claimed.
- J. Resubmission of information for disallowed items should be submitted separately from any new Claim for Rebate of Taxes Paid.
 - 1. A copy of the disallowance schedule from this department should be included with the resubmission.
 - 2. Do not duplicate previously rebated items.
 - 3. Resubmission should occur within 30 days from the date the original rebate check was issued
- K. Submit a completed Power of Attorney form with rebate request if submission is by someone other than the Contract Holder.
- L. Name on Sales/Use Tax registration certificate must match the name on the approved Enterprise Zone Contract.



State of Louisiana
Department of Revenue

GUIDELINES IN RELATION TO LEASE AGREEMENTS

Any transaction involving tangible personal property determined by the Secretary of Revenue to be in lieu of a sale and/or which is determined to be a security device will be treated by the Department of Revenue as a sale and a sales tax will be due on the total stated consideration less any separately computed finance charges. It will be necessary that each instrument be reviewed in order to determine whether the transaction is actually a sale or a lease of tangible personal property.

I. The following is a list of factors that would indicate the instrument is actually a sale rather than a lease:

- A. Title passes to the lessee at the inception of the agreement.
- B. The lessee is obligated for the total amount of the purchase price regardless of seizure by the lessor for nonpayment.
- C. There is an automatic transfer of title at the completion of the lease contract without additional payment or for a nominal consideration as defined in R.S. 9:3306(20).
- D. The lessee is obligated to make payments over the full term of the contract.
- E. The sales price is established in the lease instrument.
- F. The lessee has the right to apply lease payments against the purchase price.
- G. The lessee has the responsibility to insure, maintain, service and repair the property.
- H. The total lease payment that the lessee is required to make is approximately equal to the regular purchase price of the property plus reasonable finance charge.
- I. Any other provision of the agreement indicating the intention of the parties.

II. The following is a list of factors that would indicate the instrument is actually a lease:

- A. The lessor retains control over the property.
- B. The lessor has the absolute right to reclaim the property if the lessee defaults in payment of installments.
- C. The rental payment is approximately equal to the fair rental value of the property.
- D. The lessee can return the property in question at any time without being obligated for the total amount of the installments.
- E. The lessor retains title to the property, takes depreciation on it, and transfers its possession temporarily to one or more lessees, with none of them obligated to retain the property and all of the them with the option of returning the property to the lessor with no financial obligation beyond the payment of the agreed-upon lease price for the periods of their possession.

- F. The option price (price to be paid at the end of the transaction in order to obtain title) is approximately equal to the fair value of the property at the option date.

The actions and intent of the parties involved should also be reviewed and if the “lessor” credits his sales account, decreases his perpetual inventory and increases his cost of goods sold or if the “lessee” increases his asset account and begins taking depreciation on the property described in the “lease contract,” it is an indication that a sale has actually taken place.

In most instances, the contract will probably contain terms and conditions which will be included in the two categories listed above and it will be necessary that a judgment decision be made determining the nature of the instrument. The above-listed items are to be used as guidelines only.



State of Louisiana
Department of Revenue

Enterprise Zone Program

CLAIM FOR REBATE OF LOUISIANA STATE SALES/USE TAXES PAID

STATE OF LOUISIANA

PARISH OF _____

Taxpayer Name _____

(Name on Enterprise Zone Contract)

Type of Business _____

Mailing Address _____

City, State, Zip _____

Represented by _____

(Name and Title of Contact Person)

Telephone Number of Contact Person _____

Enterprise Zone Contract Number _____

Louisiana State Sales/Use Tax Account Number _____

Approved Contract Period _____

Rebate Claim Period _____

Amount of this Rebate Request \$ _____

This Claim for Rebate of Louisiana State Sales/Use Taxes Paid is requested for the following reasons:

Signed _____



(Attach schedules and invoices to this form.)

State of Louisiana
Department of Revenue

Enterprise Zone Program

LOUISIANA STATE SALES/USE TAX REBATE WORKSHEET

Taxpayer Name _____

Mailing Address _____

City, State, Zip _____

Louisiana State Sales/Use Tax Account Number _____

Enterprise Zone Contract Number _____

Schedule A –

Purchased by Enterprise Zone Contract Holder and Louisiana State Sales Tax Not Paid to Vendor.

(Contract holder made purchases of qualifying property for use in the Enterprise Zone and Louisiana State Use tax was **accrued** by the contract holder.)

\$ _____

Schedule B –

Purchased by Enterprise Zone Contract Holder and Louisiana State Sales Tax Paid to Vendor.

(Contract holder made purchases of qualifying property for use in the Enterprise Zone and Louisiana State Sales tax was **paid to vendor**.)

\$ _____

Schedule C –

Purchased by Contractor and Louisiana State Sales Tax Paid to Vendor.

(Contractor made purchases of qualifying property for use in the Enterprise Zone and Louisiana State Sales tax was **paid to vendor**.)

\$ _____

Schedule CA –

Purchased by Contractor and Louisiana State Sales Tax Not Paid to Vendor.

(Contractor made purchases of qualifying property for use in the Enterprise Zone and Louisiana State Use tax was **accrued** by the contractor.)

\$ _____

Total Sales/Use Tax Paid and Accrued \$ _____

State of Louisiana
Department of Revenue

Enterprise Zone Program
LOUISIANA STATE SALES/USE TAX REBATE
EXPLANATION OF DISALLOWANCE CODES

1. Expendable.
2. Delivery of materials to Project Site occurred prior to the project start date on the Enterprise Zone Contract.
3. Delivery of materials to the Project Site occurred after project completion date on the Enterprise Zone Contract.
4. Description of item too general.
5. Item not taxable.
6. Need copy of invoice.
7. Contractors/Subcontractors – need detail of purchases including contractor name, vendor name, invoice number, delivery date, purchase amount, Louisiana State Sales/Use tax paid or accrued, and a brief description of each item.
8. Unable to identify item.
9. Purchaser not on the approved contract.
10. Services, leases, and rentals not eligible.
11. Need delivery date.
12. Need description of item.
13. Need vendor's name.
14. Need vendor's Louisiana State Sales/Use tax account number.
15. Labor is not taxable.
16. No Louisiana State Sales tax charged on purchase.
17. Invoice(s) not legible.
18. Rebate request greater than invoice amounts.
19. Estimated tax not allowed.
20. Licensed vehicles not eligible.
21. Amount claimed exceeds 4% tax rate allowed.
22. Need Debit/Credit memorandum issued.
23. Need copy of all invoices \$15,000 or greater.
24. Repairs to existing equipment are not allowed.
25. Need Louisiana State Sales/Use tax account number for accrued items.
26. Need tax period(s) on accrued items.
27. Unable to identify item on invoice.
28. Not eligible under Enterprise Zone Program.
29. Tools are not eligible.
30. Tax not accrued on account nor period stated on schedule.
31. Description of purchase is not on invoice.
32. Need copies of all invoices totaling purchase price and tax amount claimed.
33. Amount claimed on schedule does not agree with invoice.
34. Need all invoices (100%) on progress payments of equipment purchases.
35. Need copy of invoice from vendor to contractor/subcontractor.
36. Need documentation showing delivery to Enterprise Zone project site.
37. Need copy of cancelled check showing amount paid as indicated on invoice.
38. Materials removed from Contractors' inventory are ineligible.
39. Items claimed outside the allowed quarterly filing.

State of Louisiana
Department of Revenue
Field Audit Services Division



Power of Attorney
(Procuration)

By: _____ State of _____
Taxpayer

To: _____ Parish/County of _____
Agent/attorney in fact

Know All by These Presents:

_____ Taxpayer	_____ Business master file number (Account number)
_____ Address	_____ Phone and fax numbers

does hereby make, name, constitute and appoint _____
Agent/attorney in fact

_____ Mailing address	_____ Phone and fax numbers
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my true and lawful agent and attorney in fact for me and in my name, place and stead to receive and inspect confidential tax information and to perform any and all acts that this taxpayer can perform with respect to the taxes and taxable year(s)/period(s) set forth below. The authorizations granted above apply to Louisiana

_____ tax(es)
List tax types.

for the taxable year(s)/period(s) _____.

The agent and attorney in fact shall be authorized to receive copies of notices and communications from the Louisiana Department of Revenue. The taxpayer will receive the original notices and written communications. The filing of this Power of Attorney with the Louisiana Department of Revenue revokes all earlier Power(s) of Attorney on file for the same taxes and taxable year(s) or period(s) covered by this document.

By signing this document as a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer. If this matter concerns a joint return filed by a husband and wife, both must sign if joint representation is requested.

_____ Signature of taxpayer or duly authorized representative	_____ Date	_____ Title (if applicable)
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_____ Print name of taxpayer or duly authorized representative.

_____ Signature of taxpayer or duly authorized representative	_____ Date	_____ Title (if applicable)
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_____ Print name of taxpayer or duly authorized representative.

This certificate must be publicly displayed as provided by law.



State of Louisiana
Department of Revenue
Sales Tax

Registration Certificate

See reverse side
for important information.

Effective date

Business code

EXAMPLE
ABC, Inc.
645 Lane Dr.
Baton Rouge, LA 70815

1234567-002

Secretary of Revenue and Taxation

Director of Sales Tax Division

