



State of Louisiana Department of Revenue

Electronic Filing Required For Dealers Who Lease or Rent Motor Vehicles

[Act 11 of the 2008 Second Extraordinary Session of the Louisiana Legislature](#) enacted Revised Statute 48:77 to dedicate the sales tax collections from motor vehicle leases or rentals to the Transportation Trust Fund effective July 1, 2008.

Because this information is not separately reported on the sales tax return, Form [R-1029](#), and the return has insufficient space to add the lines needed to report the motor vehicle leases and rentals separately, the Department of Revenue has adopted Emergency Rule [LAC 61:III.1511](#) to require dealers that collect sales tax on motor vehicle leases or rentals to file their sales tax returns electronically using a special sales tax return that includes extra lines for reporting motor vehicle leases and rentals.

R.S. 47:1520(A)(1)(d) authorizes the secretary to require electronic filing if the report is required for dedicated fund distribution. Paragraph A(2) provides that the electronic filing requirement be implemented by administrative rule. Subsection B contains penalty provisions for failure to comply.

For the purpose of the electronic filing mandate, a motor vehicle is defined as any self-propelled device that is used to transport people or property on the public highways. Dealers that collect sales tax on motor vehicle leases or rentals will be required file their state sales tax returns electronically effective for the July 2008 sales tax return, which is due August 20, 2008.

Dealers have the following two options for electronic filing:

1. Electronic filing via the Department's Louisiana [Taxpayer Access Point](#) (LaTAP) system, or
2. Electronic filing using one of the [software vendors](#) listed on the Department's website.

Dealers who use the [LaTAP](#) system will be given step-by-step instructions for setting up electronic filing as a motor vehicle lease or rental dealer.

- Gross proceeds from motor vehicle leases and rentals, which include taxable and exempt transactions, should be reported on Line 3(a).
- All other leases, rentals and services should be reported on line 3(b).
- Exempt motor vehicle leases and rentals to federal, state, or local governmental entities should be reported on Schedule A, Line 26-A.
- All other sales and use transactions should be reported as usual.

No Change To The Automobile Rental Tax

R.S. 47:551 imposes a three percent automobile rental tax (2½ percent state tax and ½ percent local tax) on automobiles rented in Louisiana for periods of 29 days or less. For the purpose of the tax, automobiles are defined as vehicles designed primarily to transport passengers and their baggage, including vans that are rated for less than nine passengers. The tax does not apply to pickup trucks. The automobile rental tax is reported on Form [R-1329](#).

This tax is separate from the four percent state sales tax imposed by R.S. 47:301(7) on leases and rentals of tangible personal property, which includes motor vehicles. The sales tax is reported on the sales tax return, Form [R-1029](#).

R.S. 48:77 dedicates the [sales tax](#) collections from motor vehicle leases or rentals to the Transportation Trust Fund and is not related to the automobile rental tax.

Questions concerning this electronic filing mandate should be directed to the Taxpayer Services Division, Sales Tax Section at (225) 219-7356 or by email to sales.inquiries@la.gov.