

**Remote Sellers Information Bulletin No. 19-003
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Rates and Bases Applicable to Tax Levied by LA R.S. 47:302(K)

As provided by Remote Sellers Information Bulletin 18-002 and LA R.S. 47:302(W)(6), remote sellers may collect and remit sales and use tax at the combined 8.45% rate in accordance with LA R.S. 47:302(K). The purpose of this bulletin is to provide guidance to Louisiana taxpayers¹ in local political jurisdictions with a local sales and use tax rate **higher** than the 4% additional tax levied by LA R.S. 47:302(K)(1) and (2).

State Level Tax Imposed in Lieu of Local Level Tax

The levy of the combined 8.45% rate pursuant to LA R.S. 47:302(K) is a state level tax “paid in lieu of any sales or use tax which would otherwise be levied and collected by a local political subdivision” in Louisiana. If a remote seller collects the 8.45% rate from a Louisiana taxpayer, the Louisiana taxpayer does not owe additional tax to local political subdivisions which levy a local sales and use tax rate higher than the 4% additional tax.

Example

Raymond Taxpayer, an individual residing in Baton Rouge, Louisiana, purchases a widget from a remote seller, who is an approved Direct Marketer with the Department of Revenue, through the remote seller’s website. Based on the delivery address, the local sales and use tax rate is 5.5 percent. The widget does not qualify for any state level exemptions or exclusions from state sales tax. The remote seller collects 8.45% on the sale to Raymond Taxpayer and remits the tax to the Department of Revenue on the Form R-1031, *Direct Marketer Sales Tax Return*.

Because the 8.45% is a state level tax “paid in lieu of any sales or use tax which would otherwise be levied and collected by a local political subdivision” in Louisiana, Raymond Taxpayer does not owe the additional 1.5% tax (5.5% less 4%) to the local political subdivision.

State Level Tax Base

The levy of the combined 8.45% rate pursuant to LA R.S. 47:302(K) is “subject to the same definitions, exemptions, tax credits, penalties, and limitations” as set forth in Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as amended (Revised

¹ Louisiana taxpayers include individuals and businesses remitting the 8.45% tax to the remote seller.

Statutes 47:301 to 318). In other words, any existing state exemptions apply in the same manner as sales tax collected by remote sellers pursuant to LA R.S. 47:302(K).

Example

Frost Enterprises is a remote seller headquartered in California, has no physical presence in Louisiana, and is an approved Direct Marketer with the Department of Revenue. Frost Enterprises sells bakery products and widgets to purchasers. The bakery products are food for consumption in the purchaser's home. As provided by LA R.S. 47:305(D)(1)(n), "food sold for preparation and consumption in the home..." is exempt from state sales tax. The widgets do not qualify for any state level exemptions or exclusions from state sales tax.

Frost Enterprises sells bakery products to a purchaser in Louisiana. Frost Enterprises should not collect any portion of the 8.45% tax on the bakery products regardless of whether the local political subdivision levies a sales tax on bakery products. Because the bakery products are subject to an exemption for state sales and use tax purposes, the bakery products are subject to the same exemption for the tax levied pursuant to LA R.S. 47:302(K). However, the remote seller must collect 8.45% on the sale of widgets and remit the tax to the Department of Revenue.

For a comprehensive list of state exemptions and exclusions, refer to R-1002, *Table of Sales Tax Rates for Exemption for the Period of July 2013 – June 30, 2025* available on Department of Revenue's website.

Questions concerning this publication may be directed to LARemoteSellersCommission@la.gov.

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