

## RULE

### Department of Revenue Policy Services Division

#### Imposition of Tax—Uniform State and Local Sales Tax Definitions (LAC 61:I.4303)

Under the authority of R.S. 47:302, R.S. 47:337.2, and R.S. 47:1511 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, has amended LAC 61:I.4303 to provide for uniform state and local sales tax definitions in accordance with the provisions of Act 73 of the 2003 Regular Legislative Session.

Act 73 enacted the Uniform Local Sales and Use Tax Code, R.S. 47:337.1 et seq., to promote uniformity in the administration of state and local sales and use taxes by compiling the local sales and use tax laws in the revised statutes. Revised Statute 47:337.2(C)(2), which provides for the development of uniform state and local sales and use tax regulations, allowed local sales tax collectors until January 1, 2004, to file written requests with the Secretary of Revenue for amendments to any Department of Revenue regulation in effect on July 1, 2003, so that the regulation applies to both state and local sales and use taxes. Local collectors, through the Louisiana Association of Tax Administrators, filed a request with the Secretary of Revenue in December 2003 for amendments to several regulations. Requested amendments to the sales tax definitions are included in this Rule.

#### Title 61

#### REVENUE AND TAXATION

#### Part I. Taxes Collected and Administered by the Secretary of Revenue

#### Chapter 43. Sales and Use Tax

#### §4303. Imposition of Tax

A. - B.2.d. ...

3. Treatment of the Tax Levied by *Local Taxing Authorities* for Inter-jurisdictional *Lease* or *Rental* Transactions.

a. For the purpose of *local sales or use tax* levied upon the *lease* or *rental* of *tangible personal property*, the tax for the initial lease or rental period is due to the *local taxing jurisdiction* where the transfer of possession of the leased property occurs.

b. For subsequent lease or rental periods, when there is no additional transfer of possession, the tax is due to the *local taxing jurisdiction* where the property is primarily located. The primary location of the property is that location designated by the lessee and made known to the lessor from records maintained in the ordinary course of business.

c. Possession or use of the leased property in a *local taxing jurisdiction* where the property is not primarily located will subject the lessee to the taxes imposed by that *local taxing jurisdiction*. However, a credit will be allowed for the lease period for any tax previously paid to another *local taxing authority* under the provisions of Subparagraphs a or b of this Paragraph. It is the lessee's responsibility to report any additional tax due.

C. - D. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:302, R.S. 47:337.2, and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Sales Tax Division, LR 13:107 (February 1987), amended LR 19:1033 (August 1993), amended by the Department of Revenue, Sales Tax Division, LR 23:1703 (December 1997), amended by the Department of Revenue, Policy Services Division, LR 30:2864 (December 2004).

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