

**Revenue Information Bulletin**

**No.12-028**

**August 20, 2012**

**Sales Tax**

**Implementation of LAC 61:I.4372  
Concerning Taxes on Constructing, Altering, or Repairing of Immovable Property**

An administrative rule, LAC 61:I.4372 (“Rule”), has been adopted to create a presumption that sales of tangible personal property made to contractors for use in the construction, alteration, or repair of immovable property are sales to consumers or users, not sales for resale, and therefore the contractor is liable for sales and use taxes on its purchases or importations of such tangible personal property. The Department will prospectively apply the Rule upon its effective date of August 20, 2012.

The presumption applies to transactions occurring on or after the effective date of the Rule.

Because Revenue Ruling No. 05-001, issued on March 1, 2005, places undue emphasis on the form or wording of the repair or alteration agreement, it is superseded by the Rule and repealed as of the effective date of the Rule.

Address questions about the Rule to LDR’s Special Programs Division at (225) 219-7462, or by email to [Sales.Inquiries@LA.GOV](mailto:Sales.Inquiries@LA.GOV).

Jane Smith  
Acting Secretary