

Revenue Information Bulletin No. 23-025
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Tobacco Tax

Credit Sales of Tobacco Stamps

Louisiana Revised Statute 47:843(C)(5) allows bonded Louisiana tobacco dealers who hold a valid stamping agent designation to purchase tax stamps on credit. The amount of stamps purchased must be paid for within thirty days of the invoice.

Pursuant to LA R.S. 47:843(C)(7), if payment is not received within thirty days of the invoice, the Louisiana Department of Revenue (LDR) will send a written demand letter for the delinquent tax by certified mail. If the delinquent tax is not paid within two days of receipt of the demand letter, then all outstanding credit sales of tobacco stamps become immediately due and payable. If payment is not received within ten days of the date of the demand letter, the LDR may proceed to collect the delinquent taxes through the taxpayer's bonding company and any other collection remedy available to the LDR.

Failure to timely pay for the stamps will result in the loss of the discount allowed at the time of purchase and subject the taxpayer to interest and penalty. *See* LA R.S. 47:843(C)(6). The late payment penalty is five percent of the tax if the delinquency is ten days or less and twenty percent if the delinquency is more than ten days. Additional penalties and fees may be assessed if the LDR is required to pursue collection through the taxpayer.

In addition to the penalties noted above, LA R.S. 47:843(C)(8) allows the LDR to suspend or terminate credit privileges of any dealer who fails to timely remit taxes due on the purchase of stamps.

Questions concerning this Revenue Information Bulletin should be directed by e-mail to Policy.Publications@LA.gov.

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Secretary

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