

# Louisiana Tax Topics

Department of Revenue and Taxation



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The mission of the Louisiana Department of Revenue and Taxation is to serve the citizens of Louisiana by efficiently collecting the state's tax revenue in a manner that will generate the highest degree of public confidence in our integrity and fairness.

## Rule on pesticides used for agricultural purposes amended

The department has amended LAC 61:I:4408 pertaining to the exemption for pesticides used for agricultural purposes. The use of crop oils, surfactants, drift control agents, and other solutions in applying qualifying pesticides has been at issue for some time. Pesticides are generally purchased in a concentrated form and mixed with an agent that allows the maximum effect of the pesticide when applied or distributed. This proposed amendment will exempt these agents when used to apply qualifying pesticides. This amendment further defines pesticides as those specified under state statutes and regulations by the Louisiana Department of Agriculture and Forestry and registration numbers assigned by the U.S. Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act.

### §4408. Pesticides Used for Agricultural Purposes

A. General. R.S. 47:305.8 provides an exemption from the taxes imposed by this Chapter for the sale at retail of pesticides used for agricultural purposes, including particularly, but not limited to, insecticides, herbicides, and fungicides used for agricultural purposes.

#### B. Definitions

**Pesticides** - include any preparation useful in the control of insects, plant life, fungus, or any other pests detrimental to agricultural crops, including the control of animal pests that meets the definition of a pesticide

in accordance with the Department of Agriculture and Forestry of the State of Louisiana under R.S. 3:3202. Qualifying pesticides must be registered with the U.S. Environmental Protection Agency (EPA) and the Louisiana Department of Agriculture and Forestry or any other appropriate governmental agency and must carry a valid EPA FIFRA (Federal Insecticide, Fungicide, and Rodenticide Act) number issued by the U.S. Environmental Protection Agency or a special label number assigned by the Louisiana Department of Agriculture and Forestry. The exemption also includes any solution mixed with a qualifying pesticide to allow for the proper distribution and application

of the pesticide, including but not limited to crop oils, surfactants, adjuvants, emulsions, soaps, and drift agents.

**Agricultural Purposes** - any purpose directly connected with the operation of any farm, including poultry, fish, and crawfish farms, ranch, orchard or any other operation by which products are grown on the land in sufficient quantity to constitute a commercial operation. The exemption is not intended to cover the sale of pesticides for use in private family vegetable gardens or in protecting ornamental plants used for landscape purposes.

*Continued on next page*

## Amending withholding income tax returns

When it is determined that the income tax withheld from employees for a given period is either underpaid or overpaid, an amended L-1 (Employer's Return of Louisiana State Income Tax Withheld) must be submitted for that same period. The tax period of the amended return must correspond to the tax period of the original return since adjustments of prior periods cannot be taken on a current filing.

If the discrepancy is found at the end of the year when filing the annual reconciliation (L-3), the L-3 will show the actual tax withheld and an amended return should be

filed with the corrected amount. Overpayments will be refunded. Underpayments will include any penalties or interest applicable.

A copy of the original return with the corrected information on it and the "Amended" box checked may be submitted or amended returns may be requested from any of the department's offices.

A line by line description of an amended return is detailed in the Louisiana Withholding Tables and Instructions for Employers, Page 8, "Correcting Mistakes." ■

# Corrected dates for declarations

Recently, taxpayers were mailed preprinted vouchers for their Declaration of Estimated Tax for Individuals (Form IT-540ES) and their Declaration of Estimated Tax for Corporations (Form IT-620ES). **The due dates preprinted on the IT-540ES voucher numbers 2 and 3 and the due dates on the IT-620ES vouchers 2, 3, and 4 are incorrect.**

As provided for by Louisiana Revised Statutes 47:117 and 47:120, the correct installment payment due dates for calendar year filers are as follows:

### IT-540ES

1st	2nd	3rd	4th
4/15	6/15	9/15	1/15

### IT-620ES

Year ended	1st	2nd	3rd	4th	Year ended	1st	2nd	3rd	4th
December 31	4/15	6/15	9/15	12/15	June 30	10/15	12/15	3/15	6/15
January 31	5/15	7/15	10/15	1/15	July 31	11/15	1/15	4/15	7/15
February 28	6/15	8/15	11/15	2/15	August 31	12/15	2/15	5/15	8/15
March 31	7/15	9/15	12/15	3/15	September 30	1/15	3/15	6/15	9/15
April 30	8/15	10/15	1/15	4/15	October 31	2/15	4/15	7/15	10/15
May 31	9/15	11/15	2/15	5/15	November 30	3/15	5/15	8/15	11/15

Please refer to Item Number 3 of the instruction/worksheet for individuals, "Payment of Estimated Tax," or to the section titled "Corporation Estimated Louisiana Income Tax - Installment Payment Due Dates" on the face of the Corporation instruction/worksheet. Both of these sections list the correct due dates.

The Declaration of Estimated Tax for Individuals and/or the Declaration of Estimated Tax for Corporations should be filed by the due dates required in the above cited statutes.

We apologize for the inconvenience this error may have caused. If there are any questions regarding this matter, please contact Danny Brown at (504) 925-6047. ■

# Pesticides continued

## C. Dealer Requirements

The dealer who fails to collect sales tax on the sale of pesticides covered by this Section must be able to show that they were used for legitimate commercial agricultural purposes as defined herein. The dealer must also be able to fully identify any purchaser from whom the tax was not collected. In the absence of this information, the dealer will be liable for the tax.

For additional information concerning this revised rule, contact the Sales Tax Division at (504) 925-7356. ■

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Edwin W. Edwards  
Governor

Ralph Slaughter, CPA  
Secretary

# Sales and use taxability of fifty-ton vessels explained

The Department occasionally receives questions concerning the sales and use taxability of ships and vessels. Recently, these questions have particularly concerned the taxability of vessels and associated equipment used for gaming.

Revised Statute 47:305.1 provides an exemption for sales of certain ships and vessels, as follows:

"The tax imposed by R.S. 47:302(A)(1), 321(A)(1), and 331(A)(1) shall not apply to sales of materials, equipment, and machinery which enter into and become component parts of ships, vessels, or barges, including commercial fishing vessels, drilling ships, or drilling barges, of fifty tons load displacement and over, built in Louisi-

ana nor to the gross proceeds from the sale of such ships, vessels, or barges when sold by the builder thereof."

The exemption under Revised Statute 47:305.1(A) extends only to the original construction of the ships or vessels of over 50 tons load displacement. It does not apply to items added or attached to ships or vessels after their construction, nor does it extend to repair services or materials of vessels of over fifty tons load displacement.

The sales tax statutes do not distinguish vessels that are used for gaming from other types of vessels. The construction and sale of those riverboat and dockside gaming vessels that are over 50 tons load displacement, and that are sold by the builders, will

not be subject to the sales or use tax on the vessel structures themselves, as provided for by R.S. 47:305.1(A). The sales or use tax will be due on the original and replacement equipment that are placed on the vessels for the vessels' outfitting and operation. Taxable property will include, but not be limited to, slot machines, gaming tables, seating, barware, cookware, as well as the full range of expendable tangible personal property used in the operation of the vessels and in serving their patrons. Repair services to gaming vessels that are permanently docked in Louisiana, or that travel other than exclusively in interstate commerce, are fully taxable on both the parts and labor used in carrying out the repairs. ■