

Tax Topics

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"The mission of the Louisiana Department of Revenue is to administer applicable laws and collect revenues to fund state operations."

**Cynthia Bridges
Secretary**

Legislative Summary 2002 Regular Session of the Louisiana Legislature

Collection

Act 36 (SB 49) amends R.S. 47:3204(E) and 4302(D) and R.S. 51:1787(I) to provide that, if any tax collection agencies receive notice from the Board of Commerce and Industry that an exemption granted under a tax equalization, manufacturing establishment, or enterprise zone tax exemption contract has ceased due to a violation of the terms of the contract after the establishment has already received the exemption, then the amount

exempted for the year in which the violation occurred, and for each year thereafter in which the violation is not remedied, will be considered a tax due as of December 31 of the year in which the violation occurred and for each year thereafter in which an exemption is used and the violation is not remedied. The Act further provides that the tax will be collected by the collecting agencies in the same manner and subject to the same provisions for the collection of other tax debts. Effective June 25, 2002.

Act 47 (SB 81) enacts R.S. 47:1602(D) to authorize the suspension of an exemption that has been granted to a taxpayer through a tax incentive contract if at any time during the contract there is a final, nonappealable judgment against the taxpayer for nonpayment of taxes. The suspension is not applicable to ad valorem tax exemption contracts granted pursuant to Article VII, Section 21(F) of the Constitution of Louisiana. Effective August 15, 2002.

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Legislative Summary 2002 First Extraordinary Session

Alcohol and Tobacco Control

Act 144 (HB 165) amends R.S. 26:271 to increase certain permit fees for dealers in beverages of low alcoholic content. Effective June 16, 2002.

Excise Taxes

Act 96 (HB 116) enacts R.S. 47:843(D)(2)(f) to provide that tobacco dealers shall not affix tax stamps on packages of cigarettes if the cigarettes are manufactured by a tobacco product manufacturer that is not participating in the Master Settlement Agreement and has failed to create a qualified escrow account as required by R.S. 13:5062. Effective April 18, 2002.

Income and Corporation Franchise Taxes

Act 8 (HB 105) enacts R.S. 51:2351 et seq. to provide for the Technology Commercialization Credit Program. This Act authorizes the Department of Economic Development to award income and cor-

poration franchise tax credits to qualified taxpayers for 15 percent of their investments in machinery and equipment and expenditures associated with obtaining the rights to use technology, including fees related to patents, copyrights, and licenses for taxable years beginning on or after January 1, 2003, until December 31, 2006. Effective July 1, 2002.

Act 9 (HB 106) enacts R.S. 47:6015 to authorize the Department of Economic Development to award income and corporation franchise tax credits to qualified taxpayers for increasing research activities in Louisiana. Any taxpayer who claims a federal tax credit under 26 U.S.C.A. §41(a) for increasing research activities is eligible for the state tax credit for taxable years beginning on or after January 1, 2003, until December 31, 2006. This Act also provides the rules and procedures for awarding credits. Effective April 17, 2002.

This issue of the Louisiana Tax Topics contains summaries of selected major tax laws amended or enacted during the 2002 First Extraordinary Session and the 2002 Regular Session of the Louisiana Legislature. The summary information presented is only intended to provide a general description of the law's major provisions and should not be construed to represent a complete analysis or specific interpretation of the law.

A complete listing of tax legislation enacted in 2002 may be obtained from the Department's web page on the Internet at www.rev.state.la.us, or by contacting the Policy Services Division at the following: P.O. Box 44098, Baton Rouge, LA 70804-4098, FAX (225) 219-2759.

Copies of particular acts may be obtained from the Office of the Secretary of State at (225) 342-2085.

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Excise Taxes

Act 14 (HB 147) amends R.S. 26:345 and 347 to allow a refund or credit to wholesale dealers for taxes paid on beverages of low alcoholic content that have been damaged and are unfit for sale. Effective July 1, 2002.

Act 19 (HB 157) enacts R.S. 47:841(B)(4) and (5) to levy additional taxes of seven-tenths of one cent per cigarette and five-tenths of one cent per cigarette, respectively. The tax is therefore increased from 24 cents per 20 pack to 36 cents per 20 pack. R.S. 47:841.1 was also enacted to create the Tobacco Tax Health Care Fund to which the taxes imposed by R.S. 47:841(B)(4) and (5) are to be deposited for use, subject to legislative appropriation. Effective July 1, 2002.

Act 21 (HB 167) extends the additional tobacco tax of four-tenths of one cent per cigarette levied by Act 32 of the 2000 Regular Session until June 30, 2012, to maintain the 24 cents per 20 pack levy. Effective July 1, 2002.

Act 28 (SB 13) enacts R.S. 47:801(13) to provide a definition of "fire truck" and enacts R.S. 47:803.2 to provide that a fire department or district may, under certain circumstances, purchase dyed fuel for use in the operation of fire trucks and pay the state fuel tax directly to the Department of Revenue. Effective July 1, 2002.

Income and Corporation Franchise Taxes

Act 10 (HB 143) amends R.S. 47:287.86(l) to provide that net operating losses generated after a reorganization cannot be carried back to a corporation that does not survive the reorganization. The Act also provides that a reorganization under Internal Revenue Code Section 368(a)(1)(F), commonly known as an F reorganization, will essentially be ignored for Louisiana corporation income tax purposes, being a mere change in form rather than substance. Effective June 7, 2002.

Act 17 (HB 150) amends R.S. 47:287.732(A) and enacts R.S. 47:287.732(C) and 287.732.1 to provide for the corporation income tax applicable to qualified Subchapter S subsidiary (QSub) corporations. In general, the QSub will be disregarded as a separate entity for Louisiana income tax purposes and treated as part of the S corporation

parent for all taxable periods beginning after December 31, 2002. If the QSub is not disregarded, then it is required to compute its Louisiana corporation income tax as if the QSub and the S corporation parent had been required to file income tax returns with the Internal Revenue Service as C corporations for the current and all prior taxable years. Effective August 15, 2002.

Act 24 (HB 171) enacts R.S. 47:293(2)(c) and (d) to limit the deductibility of excess federal itemized deductions. For taxable years beginning after December 31, 2001, and ending prior to January 1, 2003, "excess federal itemized personal deductions" means 57.5 percent of the amount by which the federal itemized personal deductions exceed the amount of the federal standard deduction for the filing status used for the taxable period on the individual income tax return. For taxable years beginning after December 31, 2002, and ending before January 1, 2004, "excess federal itemized personal deductions" means 65 percent of the amount by

which the federal itemized personal deductions exceed the amount of the federal standard deduction for the filing status used for the taxable period on the individual income tax return. Effective for all taxable years beginning after December 31, 2001.

Act 25 (HB 238) amends R.S. 47:297(B) and enacts R.S. 47:297.3 to revise the individual income tax credit for child-care expenses. The credit for child-care expenses is calculated using a percentage based on the individual's federal adjusted gross income and the amount of credit for child-care expenses claimed on the resident individual's federal tax return. This Act also amends R.S. 47:297(D)(3) to extend the suspension of the child education expense credit. Effective for all taxable periods beginning on or after January 1, 2003.

Act 30 (SB 38) amends R.S. 47:293(7) and enacts R.S. 47:293(6)(a)(vii), 297.3, 300.6(B)(2)(d), and 300.7(C)(2)(c) to authorize an "S Bank" shareholder to exclude "S Bank nontaxable income" as defined in R.S. 47:297.3 from individual tax table income. Effective for tax periods beginning on or after January 1, 2003.

Act 32 (SB 42) enacts R.S. 47:6016 to grant a refundable credit against income and corporate franchise taxes for purchases by a taxpayer of specialty apparel items from a Private Sector Prison Industry Enhancement (PIE) contractor. PIE contractors use inmate labor in producing items for sale and then pay 30 percent of the salary paid to the inmates back to the state. The credit is equal to the state sales and use taxes due on purchases from the PIE contractor. The Act is effective January 1, 2003, for income and franchise tax due on and after January 1, 2003. These provisions are ineffective on January 1, 2006, unless the Constitution is changed to require fiscal only sessions in odd-numbered years. In that case, these provisions are ineffective on January 1, 2007.

Act 38 (SB 58) amends R.S. 47:603 to exclude from borrowed capital certain indebtedness of vehicle, boat, and equipment dealers in computing corporation franchise tax owed. The Act removes from the definition of borrowed capital the amount of master loan agreements

Constitutional Amendment

Constitutional Amendment (HB 31) amends Article VII, Section 4(A) and adds Article VII, Section 2.2 of the Constitution of Louisiana to provide for a new limitation on individual income tax brackets and prohibit the imposition of state sales and use tax on food for home consumption, consumer purchases of certain utilities, and prescription drugs. This Act will become effective on January 1, 2003, if passed by the voters during the statewide election held on November 5, 2002.

Act 51 (HB 36) amends R.S. 47:32(A), 112(A), 287.445(C), 293(6)(a)(iv) and (7), 295, and 1623(D) and repeals R.S. 47:112(B) and (C), 293(2) and (6)(a)(i), and 296 to revise the state individual income tax brackets and repeal the deduction for excess federal itemized deductions. The Act will become effective for taxable periods beginning after December 31, 2002, if the constitutional amendment proposed in HB 31 of the 2002 Regular Session is adopted and becomes effective.

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entered into by motor vehicle, manufactured homes, recreational vehicles, boat, motorcycle, motor home, or farm implement dealers. The loan agreements must be structured in such a way that the financing is secured by a specific identifiable unit and the loan is repaid as each unit is sold. Effective June 25, 2002.

Act 54 (HB 55) enacts R.S. 47:297(M) to allow a credit equal to 10 percent of the total amount of federally qualifying long-term care insurance premiums paid annually by an individual against the individual income tax. The credit cannot exceed the total tax liability in any taxable year. Taxpayers applying for the credit must complete a form prescribed by the department. The Act becomes effective when the legislature enacts a special fund to finance the credit. Effective June 30, 2002.

Act 59 (HB 98) enacts R.S. 47:602(F) to provide a deduction from taxable capital when computing franchise tax for insurance holding corporations that own at least 80 percent of the capital stock of subsidiary property and casualty insurance corporations, if the subsidiary has capital and surplus of less than \$20 million. The holding corporation can deduct from its taxable base an amount equal to its investments in and advances to the subsidiary that were allocated to Louisiana under R.S. 47:606(B). The deduction is allowable for franchise tax years beginning after June 30, 2002, until January 1, 2005. Effective July 1, 2002.

Act 60 (HB 122) enacts R.S. 47:6016 to allow for a credit, not to exceed 25 percent for any taxable year, against income or corporation franchise tax liability due for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development district. The credit is limited to one credit per historic structure rehabilitated and may be used in addition to the 20 percent federal tax credit. The credit is equal to or less than \$250,000. Unused credits may be carried forward or sold. Effective July 1, 2002, for all taxable years ending before January 1, 2005.

Act 65 (HB 141) enacts R.S. 47:287.95(K) and R.S. 47:606(A)(1)(e) relative to corporation income and franchise tax appor-

tionment for television, radio, or other broadcasting businesses. The Act provides methods for determining the revenue to be attributed to Louisiana in the numerators of the existing revenue factors. In general, the methods attribute revenue to Louisiana based on audience factors. The provisions are applicable to income tax years beginning after December 31, 2001, and franchise tax years beginning after December 31, 2002.

Act 66 (HB 153) enacts R.S. 47:6015 to provide a tax credit from income or corporation franchise taxes for qualified low-income community investments. The total credits taken cannot exceed total combined income and corporation franchise tax liability for the taxable year. Credits not used in the first taxable year eligible may be carried forward to future taxable years. The total amount of credits for all taxpayers during any taxable year may not exceed \$5 million. The credit must be applied for on forms prescribed by the secretary, and will be allocated on a first-come, first served basis. If any amount of the federal tax credit available for a qualified equity investment eligible for the credit is recaptured under the provisions of Internal Revenue Code §45D, the department is authorized to recapture a percentage of the state tax credit granted equal to the percentage of the total federal credit earned that was recaptured. Effective September 1, 2002, and null and void on August 31, 2006.

Act 68 (HB 190) enacts R.S. 47:201.1(E) to authorize an exemption from composite payment requirements for nonresident partners of a publicly traded partnership. The exemption must be requested in writing and, if granted, will be effective for three years from the date granted. A new request must be submitted to continue the exemption at the end of the three-year period. The exemption may be revoked if the nonresident partners do not file and pay individual income taxes on their own behalf. The Act defines a "publicly traded partnership" and provides that such a partnership must file a composite return that includes nonresident partners who were partners on December 31 of the year prior to the due date of the return. Effective for all taxable years beginning after December 31, 2002.

Act 84 (HB 267) amends R.S. 22:1068(E)(1), (2)(d), and (3), R.S. 51:1923(1)(5), and (6)(a)(i), 1924(B)(D)(1)(2)(5), and (E) and (F), 1926(A)(1)(2)(3)(a), and (H)(3), 1927(A), 1927.1, 1928(B)(2)(C)(3), and 1931, and enacts R.S. 51:1923(11) through (20), 1924(D)(6), 1926(A)(4), 1927.2, 1928(B)(3), 1934(C), and 1935(C), relative to certified capital companies. The

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Revenue Information Bulletins

All Revenue Information Bulletins are available on the Department's web page at www.rev.state.la.us under "Rules and Legislation." Because of space limitations, the Revenue Information Bulletins are not printed in their entirety. The following are recent Revenue Information Bulletins:

Excise Taxes

No. 02-011 - Cigarette tax increase and the distribution of available cigarette stamps (7-01-02)

No. 02-012 - Pelican File system deactivated (7-31-02)

Sales Tax

No. 02-006 - Bulletin explaining that federal injunction prohibits Louisiana from enforcing sales tax exclusions that benefit religious entities (4-30-02)

No. 02-006A - Concerning the state's plans to challenge a federal judicial injunction barring the state from allowing certain sales tax exemptions to religious entities (6-10-02)

No. 02-007 - Annual sales tax filing by state agencies (4-18-02)

No. 02-008 - Allowance of vendor's compensation on sales tax returns (4-18-02)

No. 02-009 - Notice concerning July 1, 2002, tax rate changes for hotels in Orleans Parish and food service establishments in Orleans Parish and on the premises of the New Orleans Airport (6-20-02)

No. 02-010 - Notice concerning the continuation of the suspension of most sales tax exemptions with a reduction in tax rate on sales of food for home consumption and utilities (6-27-02)

Revenue Rulings

All Revenue Rulings are available on the Department's website at www.rev.state.la.us under "Rules and Legislation." Because of space limitations, Revenue Rulings are not printed in their entirety. The following are recent Revenue Rulings:

Corporation Income and Franchise Taxes

No. 02-001 - Taxation of certain trademark holding companies (5-13-02)

No. 02-006 - Inclusion of accrued vacation pay in the Franchise Tax base (5-17-02)

No. 02-007 - Corporation Income Tax treatment of expenses related to foreign dividend gross-ups (5-17-02)

Sales Tax

No. 02-004 - Sales taxability of purchases of fuel, repair services, supplies, and laundry services for stevedoring vessels operating in Louisiana waters (11-28-01)

No. 02-005 - Collection of Sales Tax on sales of movable buildings (5-01-02)

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Act extends the period in which new capital can be certified into the capital companies (CAPCO) program until December 31, 2003. Total insurance premium credit that is generated for investments by insurance companies in capital companies is reduced to 100 percent (from 110 percent). Income tax credits remain at 35 percent of capital allowed into the program, but are limited to \$2 million per year of tax reduction (from \$4 million). Premium tax credits associated with new capital allowed into the program are reduced to \$5 million per year (from \$8 million). Premium tax credits generated from new capital cannot be taken against tax liabilities for two years. Thereafter, premium tax credits can be taken at a rate of 12.5 percent per year until 100 percent of credits generated have been claimed. Unused credits generated after December 31, 1999, may be carried forward. Effective June 25, 2002.

Miscellaneous

Act 15 (HB 148) amends R.S. 47:1205(A) to make the amount to be excluded annually per donee for gift tax purposes be equal to the amount of the federal exclusion associated with gifts. This Act is applicable to gifts made after December 31, 2001. Effective August 15, 2002.

Act 72 (HB 225) amends R.S. 47:297(H)(2) and (3) and R.S. 47:305(D)(1)(t) to provide an income tax credit for a dentist who, after July 1, 2002, establishes and maintains the primary office of his practice in a parish or other geographic area in the state designated as a Dental Health Professional Shortage Area (HPSA) by the U.S. Department of Health and Human Services' Bureau of Primary Health Care Division of Shortage Designation as per Section 332 of the Public Health Service Act. Subject to the limits in R.S. 47:297(H)(3), the credit continues to be available to the dentist if the Dental HPSA designation is withdrawn after the dentist establishes a practice in a Dental HPSA. The Act also exempts from all sales and use tax any and all dental devices used exclusively by the patient or administered exclusively to the patient by a dentist or dental hygienist in connection with dental or health care treatment. Effective June 25, 2002.

Sales Tax

Act 22 (HB 169) enacts R.S. 47:302(Q), 321(H), and 331(O) to continue the suspension of most state sales tax exemptions through June 30, 2004. While most sales tax exemptions will continue to be taxed at the full rate of 4 percent, the rate of state sales tax on food for home consumption, electricity, water, natural gas, and steam will be reduced beginning July 1, 2002, from 4 percent to 3.9 percent. The Act also provides that the rate of tax on these transactions will be reduced again on July 1, 2003, from 3.9 percent to 3.8 percent. Effective July 1, 2002.

Act 27 (SB 11) enacts R.S. 47:305.14(A)(5) to provide a state and local sales and use tax exemption for nonprofit literacy organizations. Purchases of tangible personal property or taxable services by nonprofit literacy organizations in compliance with the court order from *Brumfield v. Dodd* (405 F.Supp. 338 (1975)) and Internal Revenue Code § 501(c)(3) are exempt

from state and local sales and use tax. The purchases are limited to books, workbooks, computers, computer software, films, videos and audiotapes. Effective July 1, 2002.

Act 31 (SB 39) enacts R.S. 47:305.14(I) to provide a state and local sales and use tax exemption for repairs and materials used on drilling rigs and equipment used exclusively for exploration and development of minerals outside the territorial limits of the state in Outer Continental Shelf waters. The exemption is for sales of materials, services, and supplies, as well as labor used to repair, renovate, or convert any drilling rig, or machinery and equipment that are component parts used exclusively for the exploration or development of minerals outside the territorial limits of Outer Continental Shelf waters. Effective July 1, 2002.

Act 40 (SB 62) amends R.S. 47:305.1(C) and enacts R.S. 305.1(D) to define the term "foreign or interstate coastwise commerce" and to provide for an exemption for certain shipbuilding materials, equipment, and machinery from state and local taxes. The provisions of this Act are intended to explain and clarify the original intent of R.S. 47:305.1. Effective June 25, 2002.

Act 41 (SB 70) amends R.S. 47:305.1(C) and enacts R.S. 47:305.1(D) pertaining to the state and local sales tax exemption for ships and ships' supplies to define "foreign or interstate coastwise commerce" and "component parts." Effective June 25, 2002.

Act 58 (HB 95) amends R.S. 47:301(10)(t) and (18)(h) to exclude telephone directories distributed free of charge by advertising companies not affiliated with telephone service providers from state tax. R.S. 47:301(14)(f) was also amended relative to the furnishing of cold storage to exclude space that is furnished pursuant to a bailment arrangement. Effective June 25, 2002.

Act 61 (HB 124) enacts R.S. 47:301(16)(h) to exclude from state sales and use tax the initial purchase of digital television and radio conversion equipment by certain FCC license holders. A credit is available for purchases after January 1, 1999, and before the effective date of the Act. The

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Act also provides for a local option. Effective June 25, 2002.

Act 62 (HB 130) amends R.S. 47:305(D)(1)(i) and (H) pertaining to the sales tax exemption for automobiles, trucks, and aircraft withdrawn from stock by dealers for use as demonstrators to no longer require approval by the Secretary of the Department of Revenue or that the vehicle be titled in the dealer's name if the vehicle has a dealer inventory license plate. Effective June 25, 2002.

Act 67 (HB 158) enacts R.S. 47:301(3)(h), (13)(g), and (24) to provide a state and local sales and use tax exclusion for certain costs of certain publishing businesses. For purposes of a publishing business that distributes its news publications at no cost to readers and pays unrelated third parties to print the news publications, the terms "cost price" and "sales price" mean the lesser of the following costs: (1) the printing cost paid to unrelated third parties to print the news publications, less any itemized freight charges for shipping the news publications from the printer to the publishing business and any itemized charges for paper and ink; or (2) payments to a dealer or distributor as consideration for distribution of the news publications. Effective July 1, 2002.

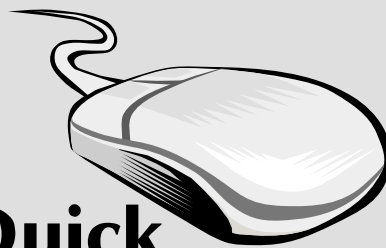
Act 70 (HB 205) enacts R.S. 47:301(16)(h) to provide a state and local sales and use tax exclusion from the definition of tangible personal property for purchases of materials used directly in the collection, separation, treatment, testing, and storage of blood by nonprofit blood banks and nonprofit blood collection centers. Effective July 1, 2002.

Act 71 (HB 207) enacts R.S. 47:301(16)(h) to provide a state and local sales tax exclusion from the definition of tangible personal property for apheresis kits and leuko reduction filters used by blood banks and blood collection centers. Effective June 25, 2002.

Severance Tax

Act 74 (HB 236) amends R.S. 47:633(7)(c)(iv)(aa) to reactivate the severance tax exemption for inactive oil and gas wells that have been returned to service during the period beginning July 1, 2002, and ending June 30, 2006. Under the current law, this exemption

was available to inactive wells that were returned to service beginning July 31, 1994, and ending June 30, 2000. To qualify for the exemption, the well must have been inactive for two or more years or had 30 days or less production during the past two years. Applicants for the exemption must apply to the Department of Natural Resources for inactive well status before beginning production. After obtaining inactive well certification, all production from the well is exempt from severance tax for two years from the date production begins or 90 days from the date of application, whichever occurs first. Effective June 25, 2002.



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Rules adopted

The following are brief descriptions of rules recently adopted by the Department. The full texts of the rules are available on the Department's website at www.rev.state.la.us under "Rules and Legislation," or from the Office of the State Register's website at www.state.la.us/osr/reg/.

In June 2002, the Department adopted Louisiana Administrative Code 61:I.1505 relative to electronic systems for withholding exemption certificates. The rule provides a process, consistent with federal withholding regulations, by which an employer may establish a system for its employees to file withholding exemption certificates electronically.

In June 2002, the Department adopted Louisiana Administrative Code 61:I.1515 relative to magnetic media label requirements. The Secretary of Revenue is authorized by Revised Statute 47:114.(F.)(2) to require employers who submit 250 or more withholding tax receipts to file the forms on magnetic media. This rule requires a label to be attached to the outside of the magnetic media and specifies the information required on the label.

Effective July 10, 2002, an emergency rule was adopted relative to the use of dyed special fuel by fire trucks. The rule provides guidance as to the information that must be submitted to the Department of Revenue to apply for a direct payment "FD" number as provided for in Act 28 of the 2002 Regular Session of the Louisiana Legislature. Act 28 defines "fire trucks" for the purposes of the Special Fuels Tax Law and allows fire departments or districts that meet certain qualifications to purchase untaxed dyed special fuel for use in the operation of fire trucks and to remit the special fuels tax directly to the Department of Revenue on a monthly basis.

Small Business Tax Workshops Scheduled

During October, November, and December 2002, the Internal Revenue Services has scheduled several tax workshops for its Small Business/Self-Employed program.

The program is a cooperative effort with the Small Business Development Centers in Louisiana and provides business tax education to small business owners, self-employed individuals, and sole proprietors.

Preregistration is required. To preregister, contact the Small Business Development Center at the telephone number listed with each location in your area. The following centers have scheduled tax workshops:

Baton Rouge

Capital Small Business Development Center
(225) 922-0998

December 5, 2002 - 9:00 a.m. to 3:00 p.m.

"Business Basics/Recordkeeping/Employment Tax"

Location: Hibernia National Bank
440 Third Street, Training Room A, 2nd Floor

Lafayette

Acadiana Small Business Development Center
(337) 262-5344

November 14, 2002 - 9:00 a.m. to 12:00 p.m.

"Taxes For Home-Based Businesses"

November 14, 2002 - 1:00 p.m. to 4:00 p.m.

"Depreciation"

Location: University of Louisiana at Lafayette
Rougeou Hall, Room 324

New Orleans

Loyola University (504) 864-7942

October 15, 2002 - 6:00 p.m. to 8:00 p.m.

"Taxes for Home-Based Businesses"

November 19, 2002 - 6:00 p.m. to 8:00 p.m.

"Retirement Plans"

Location: Loyola Library - Multi Media Room #2

Thibodeaux

Nicholls State University SBDC (504) 448-4242

October 10, 2002 - 5:30 p.m. to 8:00 p.m.

"Tax Pitfalls and Planning"

Location: Nicholls State University
White Hall, Room 105

(Extraordinary session-Continued)

Miscellaneous

Act 153 (HB 144) amends R.S. 51:2452(A), 2453, 2454, 2455, 2457, 2458, 2460, and 2461 and enacts R.S. 51:2456 and 2462 to revise the quality jobs program to allow businesses that expand existing operations to qualify for the tax incentives. This Act also deletes the requirement that the business be a basic industry establishment and provides for payment of rebates to certain employers based on the gross payroll of new direct jobs in the state. Effective May 1, 2002.

Sales Tax

Act 3 (HB 104) enacts R.S. 47:301(10)(a)(v) to provide a sales and use tax exclusion on capital expenditures for new research equipment purchased by commercial biotechnology research companies. Effective July 1, 2002.

Act 5 (SB 85) enacts R.S. 47:301(10)(a)(v) to provide for a state sales tax exclusion until January 1, 2007, for purchases by a motion picture production company that has been granted relief from paying state sales and use tax under the Motion Picture Incentive Act, R.S. 47:1121 et seq. This Act also amends R.S. 47:1123(4) and (5), 1124, and 1125 to expand the definition of a motion picture to include nationally distributed videos, television series, or commercials made in Louisiana; to change the sales tax refund to a sales tax exclusion; and to reduce the expenditure requirement in a 12-month period from \$1 million to \$250,000. Effective July 1, 2002.

Act 7 (HB 30) enacts R.S. 47:301(16)(h), (22), and (23) and 305.52 to provide for a state sales and use tax exclusion for certain custom computer software to be phased in over a four-year period. This Act also allows political subdivisions to exempt sales of certain custom computer software. Effective July 1, 2002.

Act 98 (HB 127) amends R.S. 47:306(A)(1)(c) and enacts R.S. 47:306(A)(1)(d) to provide that state and local sales tax returns of any department, agency, board, commission, or other state entity must be filed annually unless the accumulated sales tax due to the state or any tax collector is \$500 or more by the last day of any month before the close of

the state's fiscal year, in which case the tax must be filed and paid before the 20th of the month following the month during which the \$500 threshold was exceeded. Effective April 18, 2002.

Act 99 (HB 128) amends R.S. 47:306(A)(3)(a) and (B)(4) to allow compensation to dealers, manufacturers, wholesalers, jobbers, and suppliers who timely remit taxes to the secretary of the Department of Revenue. Effective April 18, 2002.

Important Department Telephone Numbers

Tax Forms

(225) 219-2113

Taxpayer Assistance & Information

(225) 219-7318

Telephone Device for the Deaf (TDD)

(225) 219-2114

Collection

(225) 219-7448

Excise Taxes

(225) 219-7656

Personal Income & Withholding Taxes

(225) 219-0102

Income, Corporation & Franchise Taxes

(225) 219-0067

Sales Tax

(225) 219-7356

Tax Topics is a quarterly publication of the Louisiana Department of Revenue. Information contained herein is of a general nature; taxpayers requiring information concerning a specific tax matter should contact the appropriate tax office. Subscription information may be obtained from the Public Affairs Section at the address below, or by calling (225) 219-2760.

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