



ENTERPRISE ZONE | QUALITY JOBS

SALES | USE TAX

REBATE GUIDELINES

Louisiana Department of Revenue
Taxpayer Compliance Division - SSEW
Economic Development Unit
P.O. Box 66362
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Louisiana Department of Revenue
Taxpayer Compliance Division - SSEW
Economic Development Unit

Enterprise Zone/Quality Jobs
Sales/Use Tax Rebate Guidelines

LOUISIANA REVISED STATUTE 51:1787 AND 51:2455 (INCENTIVES)

The Louisiana Department of Revenue (“LDR”) will accept claims and issue rebates for Louisiana State Sales and Use taxes (“SUT”) paid on construction materials, machinery, and equipment purchased during the construction period to be used on the approved site of the project indicated on the Enterprise Zone (“EZ”) or Quality Jobs (“QJ”) contract. These claims will be accepted only after this department receives a copy of the signed contract from the Louisiana Department of Economic Development.

This contract DOES NOT authorize any Louisiana SUT exemption on any purchases. Neither the contract holder nor any of its contractors or subcontractors is authorized to make tax free purchases from vendors.

The Claim for Rebate of Louisiana State Sales/Use Taxes Paid Form must be submitted no later than six months after the project’s completion or six months after the date of the governor’s signature on the contract, whichever is later. However, contract holders may be granted a 30-day extension to file the Claim for Rebate application provided LDR receives the request for extension PRIOR to the expiration date for filing the original application. The Department has also been given the authority to grant an additional extension of time, not to exceed 60 days, if the contract holder can show reasonable cause for granting such extension. Requests for the additional extension must be received by LDR prior to the expiration of the 30-day extension of time to file. For EZ projects for which the advance notification is filed on or after April 1, 2016, the amount of the rebate of sales and use taxes is limited to \$100,000 per net new job created. Taxpayers must submit proof of filing an annual certification report and creation of net new jobs.

Rebate requests for the EZ and QJ incentive programs must be submitted in an electronic format approved by LDR. Exceptions may be granted to taxpayers that prepare their own rebate requests or who wish to submit the request in an alternate format. Exception requests should be submitted to LDR.TaxIncentives@la.gov. Any rebate request not submitted electronically will not be a “properly completed rebate request” for the purposes of the 60-day rebate period or the six-month audit period set forth in LA R.S. 51:1787(A)(1)(a)(iv)(bb) and 51:2457(B)(3), respectively.

To comply with the electronic filing requirement, a taxpayer may submit the required files by mail using a CD, DVD or jump drive or via e-mail to LDR.TaxIncentives@la.gov. Taxpayers who choose the e-mail option are encouraged to contact the Taxpayer Compliance –SSEW/Economic Development Unit using this e-mail box to set up a secure portal site. Electronic media should be mailed to:

Louisiana Department of Revenue
Taxpayer Compliance — SSEW
Attn: Economic Development Unit
P.O. Box 66362
Baton Rouge, LA 70896-6362

Taxpayers are required to submit all invoices over fifteen thousand dollars (\$15,000) and all of the following schedules electronically in an Excel format:

- Schedule A Purchased by Contract Holder and Taxes Accrued
- Schedule B Purchased by Contract Holder and Taxes Paid to Vendor
- Schedule C Purchased by Contractor and Taxes Paid to Vendor
- Schedule CA Purchased by Contractor and Taxes Accrued

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The following must accompany the claim form:

1. A certification stating the materials, machinery, and equipment included in the Claim for Rebate of Louisiana State Sales/Use Taxes Paid will be or have been delivered to and used on the site in the approved EZ or QJ Jobs project. Louisiana SUT paid on construction equipment, leases/rentals, and consumables that are not actually incorporated into the project are not eligible for the rebate.
2. A certification stating that the Louisiana SUT have been paid on the items listed. As of July 1, 2018, the state sales tax rate is 4.45%. Prior to July 1, 2018, the state sales tax rate was 5% for the period of April 1, 2016 through June 30, 2018. The state sales tax rate was 4% for periods prior to April 1, 2016.
3. A list of all contractors and subcontractors including addresses and contract amounts.

Please see Section III for a detailed explanation of the information required in Schedules A, B, C and CA.

Failure to submit this information may result in processing delays.

Included in this packet are forms and/or examples of:

- Information Sheet
- Policy in Relation to Lease Agreements
- Claim for Rebate of Louisiana State Sales/Use Taxes Paid
- Rebate Worksheet
- Explanation of Disallowance Codes
- Schedules A, B, C, and CA

If you have any questions regarding your Claim for Rebate of Louisiana State Sales/Use Taxes Paid, please contact the Taxpayer Compliance – SSEW Division, Economic Development Unit at (225) 219-2270.

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INFORMATION SHEET

I. Qualifying Items

- A. Materials that originate from a contractor/subcontractor's inventory and are located permanently at the project site during the project period are eligible for sales/use tax rebates. In order for rebates to be issued on property withdrawn from inventory, the contractor/subcontractor must have in place financial accounting, property accounting, and sales/use tax accrual and payment systems to enable the LDOR to verify that Louisiana sales or use taxes were paid on the property for which rebate is claimed.
- B. Machinery and/or equipment purchased for the project site during the project period are eligible for sales/use tax rebates, provided that the machinery and equipment are located permanently at the project site, are owned by the entity having the contract with the state, and are expected to remain at the project site after construction is completed for the expected useful life of the completed structure or for the expected useful life of the machinery and equipment, whichever duration is shorter.
- C. Machinery and or equipment transferred into Louisiana for the project site during the project period are eligible for SUT rebates, provided that the machinery and equipment are located permanently at the project site, are owned by the entity having the contract with the state, and are expected to remain at the project site after construction is completed for the expected useful life of the completed structure or for the expected useful life of the machinery and equipment, whichever duration is shorter.
- D. Software purchased, capitalized, and used by the applicant primarily at the project site during the project period are eligible for SUT rebates.
- E. Lease-purchases may be eligible for a SUT rebate upon LDR's approval. The property acquired through lease-purchase must be located permanently at the project site, must be owned by the entity having the EZ or QJ contract with the state, and must remain at the project site after construction is completed for the expected useful life of the completed structure or for the expected useful life of the leased-purchased property, whichever duration is shorter. A copy of the lease-purchase agreement must be submitted with the Claim for Rebate Request.

II. Non Qualifying Items

- A. Small hand tools (wrenches, screwdrivers, paint brushes, etc.); safety equipment (goggles, gloves, respirators, glasses, etc.); blueprints; and photographs.
- B. Spare parts and repairs to equipment will be disallowed, however, replacement parts that are acquired at the time of equipment purchase are acceptable.
- C. Purchases made by contractors that do not become a component of the building or passed on to the contract holder.
- D. Vehicles licensed for road use.
- E. Consumable items are not eligible for sales/use tax rebate. A partial listing of ineligible items are: per diem, labor, service contracts, storage, freight, radios, laptop computers, utilities, permits and fees, office supplies, construction consumables, blades, drill bits, PVC sheeting, tape, gloves, dust masks, and all leases and rentals.
- F. Ineligible items listed on Schedule A of the Claim for Rebate Request.

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INFORMATION SHEET

III. Rebate Request Should be Formatted in the Following Manner

All schedules listed below should itemize materials, machinery, and equipment with vendor names, invoice numbers, delivery dates, purchase amounts, Louisiana SUT paid or accrued on each purchase and a brief description of each item. The Louisiana SUT is levied at the rate of 4.45% on all purchases made in or delivered into Louisiana on or after July 1, 2018. Prior to July 1, 2018, the state sales tax rate was 5% for the period of April 1, 2016 through June 30, 2018. The state sales tax rate was 4% for periods prior to April 1, 2016. Any invoice which totals \$15,000 or greater must be included with the schedule. The invoice must contain a description of the item being purchased.

- A. **SCHEDULE A** should list items purchased by the contract holder and Louisiana State Sales tax was accrued on the return.
1. The contract holder should have accrued and paid the Louisiana SUT directly to LDR. Please note, if it is determined that the Use tax was not remitted, then tax, interest, and penalties must be paid prior to submission of the rebate claim. If not, interest and penalties on those accruals will be deducted from the rebate.
- B. **SCHEDULE B** should list items purchased by the contract holder, sales tax rate and the amount of Louisiana State Sales tax that was paid to vendor(s).
- C. **SCHEDULE C** should list items purchased by the contractor, sales tax rate, and the amount of Louisiana State Sales tax that was paid to vendor(s).
- D. **SCHEDULE CA** should list items purchased by the contractor and Louisiana State Sales tax was accrued on the return.
1. The contractor should have accrued and paid the Louisiana State Use tax directly to the Department of Revenue.

For all Schedules:

- **“Delivery Date” means date when materials were delivered to the project site.**
- **Subtotal each page**

- E. Purchases on Schedule A and/or Schedule CA should be listed in chronological order by tax periods.
- F. Purchasers claiming items taken out of inventory must be able to verify that the Louisiana state sales tax was paid or accrued on each item.
- G. Submit a legible copy of all invoices \$15,000 and greater. All invoices must be maintained should additional information be required during the audit of your claim.
- H. Credit will NOT be given on progress payments until actual delivery of the tangible property to the approved project site. All progress payment invoices (100%) must be submitted to substantiate taxes paid on this property.
- I. Credits taken on any schedule must be accompanied by an explanation. If the credit is from a previous claim, indicate the date the claim was submitted, and identify on which schedule the invoice number and amount were claimed.
- J. Resubmission of information for disallowed items should be submitted separately from any new Claim for Rebate of Taxes Paid.
1. A copy of the disallowance schedule from this department should be included with the resubmission.
 2. Do not duplicate previously rebated items.
 3. Resubmission should occur within 30 days from the date the original rebate check was issued.
- K. Submit a completed Form R-7006, *Power of Attorney*, with rebate request if submission is by someone other than the Contract Holder.
- L. Name on Sales/Use Tax registration certificate must match the name on the approved EZ or QJ Contract.

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GUIDELINES IN RELATION TO LEASE AGREEMENTS

Any transaction involving tangible personal property determined by the Secretary of Revenue to be in lieu of a sale and/or which is determined to be a security device will be treated by the Louisiana Department of Revenue as a sale/use and a sales tax will be due on the total stated consideration less any separately computed finance charges. It will be necessary that each instrument be reviewed in order to determine whether the transaction is actually a sale or a lease of tangible personal property.

I. The following is a list of factors that would indicate the instrument is actually a sale rather than a lease:

- A. Title passes to the lessee at the inception of the agreement.
- B. The lessee is obligated for the total amount of the purchase price regardless of seizure by the lessor for nonpayment.
- C. There is an automatic transfer of title at the completion of the lease contract without additional payment or for a nominal consideration as defined in LA R.S. 9:3306(20).
- D. The lessee is obligated to make payments over the full term of the contract.
- E. The sales price is established in the lease instrument.
- F. The lessee has the right to apply lease payments against the purchase price.
- G. The lessee has the responsibility to insure, maintain, service and repair the property.
- H. The total lease payment that the lessee is required to make is approximately equal to the regular purchase price of the property plus reasonable finance charge.
- I. Any other provision of the agreement indicating the intention of the parties.

II. The following is a list of factors that would indicate the instrument is actually a lease:

- A. The lessor retains control over the property.
- B. The lessor has the absolute right to reclaim the property if the lessee defaults in payment of installments.
- C. The rental payment is approximately equal to the fair rental value of the property.
- D. The lessee can return the property in question at any time without being obligated for the total amount of the installments.
- E. The lessor retains title to the property, takes depreciation on it, and transfers its possession temporarily to one or more lessees, with none of them obligated to retain the property and all of the them with the option of returning the property to the lessor with no financial obligation beyond the payment of the agreed-upon lease price for the periods of their possession.
- F. The option price (price to be paid at the end of the transaction in order to obtain title) is approximately equal to the fair value of the property at the option date.

The actions and intent of the parties involved should also be reviewed and if the "lessor" credits his sales account, decreases his perpetual inventory and increases his cost of goods sold or if the "lessee" increases his asset account and begins taking depreciation on the property described in the "lease contract," it is an indication that a sale has actually taken place.

In most instances, the contract will probably contain terms and conditions which will be included in the two categories listed above and it will be necessary that a judgement decision be made determining the nature of the instrument. The above-listed items are to be used as guidelines only.

**Louisiana State Sales/Use Tax
Rebate Worksheet**

Taxpayer Compliance Division - SSEW Economic
Development Unit

Taxpayer Name		Louisiana State Sales/Use Tax Account Number	
Mailing Address			
City		State	ZIP
Contract Number			

Schedule A	
Purchased by Contract Holder and Louisiana State Sales Tax Accrued. <i>(Contract holder made purchases of qualifying property and Louisiana State Use tax was accrued by the contract holder.)</i>	\$
Schedule B	
Purchased by Contract Holder and Louisiana State Sales Tax Paid to Vendor. <i>(Contract holder made purchases of qualifying property and Louisiana State Sales tax was paid to vendor.)</i>	\$
Schedule C	
Purchased by Contractor and Louisiana State Sales Tax Paid to Vendor. <i>(Contractor made purchases of qualifying property and Louisiana State Sales tax was paid to vendor.)</i>	\$
Schedule CA	
Purchased by Contractor and Louisiana State Sales Tax Accrued. <i>(Contractor made purchases of qualifying property and Louisiana State Use tax was accrued by the contractor.)</i>	\$
Total Sales/Use Tax Paid and Accrued	\$

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DISALLOWANCE CODES

1. Expendable
2. Delivery of materials to Project Site occurred **prior** to the project start date on contract
3. Delivery of materials to the Project Site occurred **after** project completion date on contract
4. Description of item too general
5. Item not taxable
6. Need copy of invoice
7. Contractors/Subcontractors – need detail of purchases including contractor name, vendor name, invoice number, delivery date, purchase amount, Louisiana State Sales/Use tax paid or accrued, and a brief description of each item
8. Unable to identify item
9. Purchaser not on the approved contract
10. Services, leases, and rentals not eligible
11. Need delivery date
12. Need description of item
13. Need vendor's name
14. Need vendor's Louisiana State Sales/Use tax account number
15. Labor is not taxable
16. No Louisiana State Sales tax charged on purchase
17. Invoice(s) not legible
18. Rebate request greater than invoice amounts
19. Estimated tax not allowed
20. Licensed vehicles not eligible
21. Amount claimed exceeds the sales tax rate allowed
22. Need Debit/Credit memorandum issued
23. Need copy of all invoices \$15,000 or greater
24. Repairs to existing equipment are not allowed
25. Need Louisiana State Sales/Use tax account number for accrued items
26. Need tax period(s) on accrued items
27. Unable to identify item on invoice
28. Not eligible under program
29. Tools are not eligible
30. Tax not accrued on account nor period stated on schedule
31. Description of purchase is not on invoice
32. Need copies of all invoices totaling purchase price and tax amount claimed
33. Amount claimed on schedule does not agree with invoice
34. Need all invoices (100%) on progress payments of equipment purchases
35. Need copy of invoice from vendor to contractor/subcontractor
36. Need documentation showing delivery to project site
37. Need copy of cancelled check showing amount paid as indicated on invoice
38. Materials removed from Contractors' inventory are ineligible
39. Items claimed outside the allowed quarterly filing

PART I. POWER OF ATTORNEY

Taxpayer(s) must sign and date this form on page 2.

PLEASE TYPE OR PRINT.

Your Name or Name of Entity		Spouse's Name, if a joint return <i>(or corporate officer, partner or fiduciary, if a business)</i>	
Street Address		City	State ZIP
Social Security/Louisiana or Federal ID Number		Spouse's Social Security Number <i>(if a joint return)</i>	

I/we appoint the following representative as my/our true and lawful agent and attorney-in-fact to represent me/us before the Louisiana Department of Revenue. The representative is authorized to receive and inspect confidential information concerning my/our tax matters, and to perform any and all acts that I/we can perform with respect to my/our tax matters, unless noted below. **Modes of communication for requesting and receiving information may include telephone, e-mail, or fax. The authority does not include the power to receive refund checks, the power to substitute another representative, the power to add additional representatives, or the power to execute a request for disclosure of tax returns or return information to a third party.**

Representative must sign and date this form on page 2, Part II.

Name		
Firm		
Street Address		
City	State	ZIP
Telephone Number ()		
Fax number ()		
E-mail Address		

Acts Authorized. Mark only the boxes that apply. By marking the boxes, you authorize the representative to perform any and all acts on your behalf, including the authority to sign tax returns, with respect only to the indicated tax matters:

Tax Type	Year(s) or Period(s)	Tax Type	Year(s) or Period(s)
<input type="checkbox"/> Individual income tax	_____	<input type="checkbox"/> Sales and use tax	_____
<input type="checkbox"/> Corporate income/franchise tax	_____	<input type="checkbox"/> Withholding tax	_____
<input type="checkbox"/> Special Fuels tax	_____	<input type="checkbox"/> Gasoline tax	_____
<input type="checkbox"/> Tobacco tax	_____	<input type="checkbox"/> Other <i>(Please specify.)</i>	_____

DELETIONS. Mark or list any specific deletions to the acts otherwise authorized in this power of attorney.

- Sign the return(s) for the above tax matters.
- Execute an agreement to suspend prescription of tax.
- File a protest to a proposed assessment.
- Execute offers in compromise or settlements of tax liability.
- Represent the taxpayer before the department in any proceeding, including protest hearings.
- Obtain a private letter ruling on behalf of the taxpayer.
- Other prohibited acts. *(List prohibited acts.)* _____

NOTICES AND COMMUNICATIONS. Original notices and other written communications will be sent only to you, the taxpayer. Your representative may request and receive information by telephone, e-mail or fax. Upon request, the representative may be provided with a copy of a notice or communication sent to you. If you want the representative to request and receive a copy of notices and communications sent to you, **check this box.**

REVOCAION OF PRIOR POWER(S) OF ATTORNEY. Except for *Power(s) of Attorney and Declaration of Representative(s)* filed on Form R-7006 (1/11), the filing of this Power of Attorney automatically revokes all earlier Power(s) of Attorney on file with the Louisiana Department of Revenue for the same tax matters and years or periods covered by this document.

Signature of Taxpayer(s). If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

IF THIS POWER OF ATTORNEY IS NOT SIGNED AND DATED, IT WILL BE RETURNED.

Taxpayer signature	Date (mm/dd/yyyy)	
Spouse signature	Date (mm/dd/yyyy)	
Signature of duly authorized representative, if the taxpayer is a corporation, partnership, executor or administrator	Title	Date (mm/dd/yyyy)

Part II. DECLARATION OF REPRESENTATIVE

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service.
 - I am authorized to represent the taxpayer(s) identified in Part I for the tax matters specified there; and
 - I am one of the following: *(insert applicable letter in table below)*
 - a. Attorney—a member in good standing of the highest court of the jurisdiction shown below.
 - b. Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c. Enrolled Agent—a person enrolled to practice before the Internal Revenue Service.
 - d. Officer—a bona fide officer of the taxpayer organization.
 - e. Employee—an employee of the taxpayer.
 - f. Family Member—a member of the taxpayer’s immediate family *(state the relationship, i.e., spouse, parent, child, brother, or sister)*.
- _____
- _____
- g. Other *(state the relationship, i.e., bookkeeper or friend)* _____
 - h. Former Louisiana Department of Revenue Employee. As a representative, I cannot accept representation in a matter with which I had direct involvement while I was a public employee.

IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.

Designation-Insert Above Letter (a-h)	State Issuing License	State License Number	Signature	Date (mm/dd/yyyy)

R-1027-L (6/19)

This certificate must be publicly displayed as provided by law.

LOUISIANA
DEPARTMENT *of* REVENUE

2183710-001

Effective date
Date Issued

Sales Tax Registration Certificate

ABC, Inc.
645 Lane Dr.
Baton Rouge, LA 70815



Secretary, Louisiana Department of Revenue

See reverse side for important information.

Name of Contract Holder:
 Contract Construction Period:
 Contract #:

SCHEDULE CA - Purchased by Contractor and Taxes Accrued

Contractor Name:
 Louisiana Department of Revenue Sales/Use Tax Account #:

Vendor Name	Vendor Invoice #	Delivery Date	Purchase Amount	Tax Period	Description	State Sales Tax Rate	State Sales Tax Accrued
Page/Grand Purchase Total				Page/Grand Sales Tax Total			

