

2022 Regular Session

SENATE BILL NO. 443

BY SENATOR ALLAIN

TAX/SALES. Provides for direct payment of state and local sales tax on purchases by certain taxpayers. (1/1/23)

1 AN ACT

2 To amend and reenact R.S. 47:303.1(C) and (G) and to repeal R.S. 47:303.1(D), relative to
3 direct payment numbers; to provide for uniform direct payment number procedures
4 and appeal rights for local tax collectors; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:303.1(C) and (G) are hereby amended and reenacted to read as
7 follows:

8 §303.1. Direct Payment Numbers

9 * * *

10 C.(1) Upon application by a taxpayer to the department for a DP Number
11 pursuant to Paragraph (B)(1) or (2) of this Section, the department shall notify by
12 ~~certified mail the local agency or agencies charged with collection of the sales and~~
13 ~~use tax imposed by the political subdivisions~~ **the local collector** in the parish or
14 parishes in which the taxpayer has a manufacturing establishment or facility or is a
15 taxpayer that meets the requirements of Paragraph (B)(2) of this Section. The
16 department and the local ~~collection agency or agencies~~ **collector** shall review the
17 application and ~~shall~~ **may** audit the taxpayer to determine that the taxpayer meets the

1 qualifications provided in ~~Subsection B of this Section~~ **Paragraph (B)(1) or (2) of**
2 **this Section**, if the department or local ~~collection agency or agencies~~ **collector**
3 consider ~~such an~~ audit necessary.

4 ~~D.(2)(a)~~ If the taxpayer applying for a DP Number pursuant to ~~Paragraph~~
5 ~~(B)(1) or (2) of this Section~~ meets the qualifications of ~~Subsection B of this Section~~
6 **Paragraph (B)(1) or (2) of this Section** and obtains written approval from the local
7 ~~agency or agencies charged with the collection of sales and use tax imposed by the~~
8 ~~political subdivisions~~ **collector** in the parish or parishes in which the taxpayer has
9 a manufacturing establishment or facility or is a taxpayer that meets the requirements
10 of Paragraph (B)(2) of this Section; **within sixty days of transmission of the**
11 **application to the local collector**, the department shall issue the DP Number to the
12 taxpayer.

13 **(b)** If the taxpayer meets the qualifications of ~~Subsection B of this Section~~
14 **Paragraph (B)(1) or (2) of this Section** but written approval is ~~denied or withheld~~
15 ~~by the local agency or agencies charged with the collection of sales and use tax~~
16 ~~imposed by the political subdivisions~~ **not provided by the local collector within**
17 **sixty days after the transmission of the application to the local collector** in the
18 parish or parishes in which the taxpayer has a manufacturing establishment or
19 facility or is a private, nonprofit, tax-exempt organization, the department shall issue
20 a DP Number to the taxpayer ~~that shall be applicable only for the purposes of state~~
21 ~~sales and use tax.~~

22 **(c)** **If the taxpayer meets the qualifications of Paragraph (B)(1) or (2) of**
23 **this Section but written approval is denied by the local collector within sixty**
24 **days after the transmission of the application to the local collector in the parish**
25 **or parishes in which the taxpayer has a manufacturing establishment or facility**
26 **or is a private, nonprofit, tax-exempt organization that meets the requirements**
27 **of Paragraph (B)(2) of this Section, the department shall issue a DP Number to**
28 **the taxpayer that shall be applicable only for the purposes of state sales and use**
29 **tax.**

1 **(3) If a local collector determines that a taxpayer no longer qualifies for**
 2 **a DP Number, the local collector shall notify the department and request an**
 3 **examination of the taxpayer for the limited purpose of determining continued**
 4 **eligibility for a DP Number. If, after examination, the department determines**
 5 **that the taxpayer no longer qualifies for a DP Number, the department shall**
 6 **revoke the DP Number and notify the local collector.**

7 * * *

8 G.**(1)** The taxpayer may appeal the ~~secretary's~~ denial or revocation of a DP
 9 Number to the Board of Tax Appeals.

10 **(2) A local collector may appeal the department's failure to revoke a**
 11 **taxpayer's DP Number pursuant to Paragraph (C)(3) of this Section.**

12 * * *

13 Section 2. R.S. 47:303.1(D) is hereby repealed.

14 Section 3. This Act shall become effective on January 1, 2023; if vetoed by the
 15 governor and subsequently approved by the legislature, this Act shall become effective on
 16 the day following such approval by the legislature or January 1, 2023, whichever is later.

The original instrument was prepared by Leonore Heavey. The following
 digest, which does not constitute a part of the legislative instrument, was
 prepared by Curry J. Lann.

SB 443 Engrossed DIGEST Allain
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Present law authorizes qualified taxpayers to apply for state direct pay (DP) numbers allowing the purchaser to make all purchases without remitting the sales and use tax to their vendors and allowing the purchaser to report and pay the tax due directly to the Department of Revenue and local tax collection authorities.

Proposed law retains present law.

Present law requires the Department of Revenue to notify local tax collectors when a taxpayer qualifies for a DP Number and authorizes the department and the impacted local collector to examine.

Proposed law provides a 60-day timeframe for local collectors to respond to the taxpayer's request for a DP Number and further provides that if the local collector does not respond to the request within 60 days that the department will issue a state and local DP Number.

Proposed law requires local collectors to notify the department when a taxpayer no longer qualifies for a DP Number, requires the department to investigate, and provides an appeal by a local collector to the Board of Tax Appeals if the department does not revoke a DP

Number when the taxpayer no longer qualifies.

Effective January 1, 2023.

(Amends R.S. 47:303.1(C) and (G); repeals R.S. 47:303.1(D))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal
Affairs to the original bill

1. Removes provisions authorizing direct payment numbers for contractors within the boundaries of an Economic Development District with a state tax increment.
2. Corrects internal references and provides for technical changes.