

2018 Regular Session

SENATE BILL NO. 529

BY SENATOR APPEL

TAX/SALES. Provides for direct payment of state and local sales tax due on purchases by certain nonprofit subsidiaries. (7/1/18)

1 AN ACT

2 To amend and reenact R.S. 47:303.1(B)(2), (C), (D), (F), and (G), relative to direct payment
3 numbers; to authorize certain nonprofit subsidiaries to obtain direct payment
4 numbers for state and local sales and use tax; to provide for an effective date; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:303.1(B)(2), (C), (D), (F), and (G) are hereby amended and
8 reenacted to read as follows:

9 §303.1. Direct Payment Numbers

10		*	*	*
11	B.	*	*	*
12		*	*	*

13 (2)~~(a)~~ A DP Number shall be issued to and shall be continued to be held by
14 a taxpayer ~~which~~ **that** is a private, nonprofit, tax-exempt organization as defined
15 under Section 501~~(3)~~~~(c)~~ **(3)** of the Internal Revenue Code, ~~which~~ **that** obtains the
16 required approvals, and ~~which~~ **that** meets all of the qualifications provided for in this
17 Section except Subparagraph (1)(a) of this Subsection.

1 **of Paragraph (B)(2) of this Section**, the department shall issue the DP Number to
 2 the taxpayer. If the taxpayer meets the qualifications of Subsection B **of this Section**
 3 but written approval is denied or withheld by the local agency or agencies charged
 4 with the collection of sales and use tax imposed by the political subdivisions in the
 5 parish or parishes in which the taxpayer has a manufacturing establishment or
 6 facility or is a private, nonprofit, tax-exempt organization, the department shall issue
 7 a DP Number to the taxpayer ~~which~~ **that** shall be applicable only for the purposes
 8 of state sales and use tax.

9 * * *

10 F. The DP Number issued by the department under this Section may be
 11 revoked by the secretary at any time if the taxpayer fails to meet the qualifications
 12 provided in this Section, or if the department receives written notice of the
 13 revocation of approval for issuance of the DP Number from all of the local tax
 14 collection agencies ~~which~~ **that** had previously given their approval pursuant to
 15 Subsection D of this Section.

16 G. The taxpayer may appeal the secretary's **or local collection agency's**
 17 denial or revocation of a DP Number to the Board of Tax Appeals.

18 * * *

19 Section 2. This Act shall become effective on July 1, 2018.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Leonore Heavey.

	DIGEST	
SB 529 Original	2018 Regular Session	Appel

Present law authorizes purchasers that have average annual purchases for a three-year period of \$5 million to apply for 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 and authorizes taxpayers that are subsidiary entities of a private, nonprofit, tax-exempt organization, including entities in which the tax-exempt organization is the sole member, that otherwise meet the direct pay requirements to obtain DP numbers from the secretary of the Department of Revenue and local tax collection authorities to authorize the direct payment of sales and use tax to taxing authorities.

Effective July 1, 2018.

(Amends R.S. 47:303.1(B)(2), (C), (D), (F), and (G))