

2015 Regular Session

HOUSE BILL NO. 336

BY REPRESENTATIVE CONNICK

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/SALES & USE: Provides for the collection of sales and use tax imposed on the purchase of motor vehicles by certain foreign business entities

1 AN ACT

2 To enact R.S. 47:303(B)(8), relative to state sales and use tax; to provide for the collection
3 of state sales and use tax on vehicles acquired by certain foreign business entities;
4 to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:303(B)(8) is hereby enacted to read as follows:

7 §303. Collection

8 * * *

9 B. Collection of tax on vehicles. The tax imposed by R.S. 47:302(A) on the
10 sale or use of any motor vehicle, automobile, motorcycle, truck, truck-tractor, trailer,
11 semi-trailer, motor bus, house trailer, or any other vehicle subject to the vehicle
12 registration license tax shall be collected as provided in this Subsection.

13 * * *

14 (8) When a foreign corporation, foreign limited liability company, foreign
15 limited partnership, or foreign partnership acquires a vehicle on which the tax
16 imposed by R.S. 47:302(A) would have been due had the vehicle been acquired by
17 a business entity organized under the laws of this state, the department may collect
18 the tax from the foreign business entity if the department determines that the purpose
19 of the foreign business entity was tax avoidance after considering all of the
20 following:

trailer, semi-trailer, motor bus, house trailer, or any other vehicle subject to the vehicle registration license tax.

Proposed law retains present law but authorizes the department to collect sales and use tax on motor vehicles purchased by foreign business entities if the department determines that the purpose of the foreign business entity was tax avoidance. Requires the department to consider the following in making its determination:

- (1) Whether there is a specific business purpose for the foreign business entity to acquire the vehicle other than the avoidance of the tax imposed by present law.
- (2) Whether the users of the vehicle compensate the foreign business entity reasonably for the use of the vehicle.
- (3) Whether the foreign business entity fails to maintain a physical location in the foreign state.
- (4) Whether the foreign business entity fails to employ individual persons and provide those persons with Internal Revenue Service Form W-2 wage and tax statements.
- (5) Whether the foreign business entity fails to file federal tax returns, or fails to file a required state tax return in the foreign state.
- (6) The location of where the vehicle is stored.
- (7) The jurisdiction where the vehicle is typically used.
- (8) The domicile of the most frequent drivers and passengers of the vehicle.
- (9) The duration of the trips for which the vehicle is used.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:303(B)(8))