AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

§303.1. Direct Payment Numbers

*    *    *

C. (1) Upon application by a taxpayer to the department for a DP Number
pursuant to Paragraph (B)(1) or (2) of this Section, the department shall notify by
certified mail the local agency or agencies charged with collection of the sales and
use tax imposed by the political subdivisions the local collector in the parish or
parishes in which the taxpayer has a manufacturing establishment or facility or is a
taxpayer that meets the requirements of Paragraph (B)(2) of this Section. The
department and the local collection agency or agencies collector shall review the
application and shall may audit the taxpayer to determine that the taxpayer meets the
qualifications provided in Subsection B of this Section Paragraph (B)(1) or (2) of this Section, if the department or local collector consider such an audit necessary.

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

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

(c) If the taxpayer meets the qualifications of Paragraph (B)(1) or (2) of this Section but written approval is denied by the local collector within sixty days after the transmission of the application to the local collector in the parish or parishes in which the taxpayer has a manufacturing establishment or facility or is a private, nonprofit, tax-exempt organization that meets the requirements of Paragraph (B)(2) of this Section, the department shall issue a DP Number to the taxpayer that shall be applicable only for the purposes of state sales and use tax.
(3) If a local collector determines that a taxpayer no longer qualifies for a DP Number, the local collector shall notify the department and request an examination of the taxpayer for the limited purpose of determining continued eligibility for a DP Number. If, after examination, the department determines that the taxpayer no longer qualifies for a DP Number, the department shall revoke the DP Number and notify the local collector.

* * *

G.(1) The taxpayer may appeal the secretary’s denial or revocation of a DP Number to the Board of Tax Appeals.

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

* * *

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

Section 3. This Act shall become effective on January 1, 2023; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on 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.

DIGEST

SB 443 Engrossed 2022 Regular Session Allain

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

Coding: Words which are struck through are deletions from existing law; words in boldface type and underscored are additions.
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.