DIGEST

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Pugh HB No. 847

Abstract: Requires the annual filing of a consumer use tax return for the payment of use tax due on property and services bought from a remote seller who did not collect the tax due at the time of sale.

Present law imposes a total of 4% in state use tax on the use of certain tangible personal property and services.

Proposed law retains present law and establishes a requirement for the annual filing of a consumer use tax return (return) beginning Jan. 1, 2015, for the payment of use tax due on taxable property and services bought from a remote seller who did not collect the sales tax due at the time of sale.

Proposed law excludes purchases by a business.

Proposed law requires the secretary of the Dept. of Revenue (secretary) to prescribe the form and instructions for the return, and provides for the specific data elements to be included. The annual consumer use tax payment and tax return are due on or before the 15th day of May following the close of the year in which the use tax became due.

Proposed law requires the instructions for the return to include a use tax table which provides estimated use tax liabilities as "safe harbor" amounts which are based on a taxpayer's federal adjusted gross income for the previous year.

Proposed law requires a taxpayer, in reporting their estimated use tax liabilities of the return, to elect to either use the safe harbor amounts provided in the use tax table or calculate their actual use tax liabilities. If a taxpayer utilizes the use tax table and pays the appropriate safe harbor amount for their income level, the secretary shall not assess the difference, if any, between the estimated use tax liabilities reported and paid and the taxpayer's actual use tax liabilities.

Proposed law provides for the following safe harbor amounts.

Consumer's federal adjusted gross income	Safe Harbor Amount
Less and or equal to 10,000	$4
10,000 to 20,000	$12
20,000 to 30,000	$20

30,000 to 40,000	$28
40,000 to 50,000	$36
50,000 to 70,000	$48
70,000 to 80,000	$60
80,000 to 100,000	$72

If the taxpayer's adjusted gross income is greater than $100,000 the safe harbor amount is determined by calculating the federal adjusted gross income by 0.0008%.

Proposed law requires the department to annually determine the new use tax table and publish the schedule no later than the March issue of the La. Register. The safe harbor use tax table shall be recalculated based on consumer spending data published by the United States Bureau of Labor Statistics and the United States Census Bureau.

Proposed law provides that if a person fails to make a return, the secretary shall make an estimate, based upon the information available, of the amount of taxes due for the period for which the taxpayer is delinquent, and shall add a penalty equal to ten percent of the amount of taxes due, plus interest on the delinquent taxes as provided by present law. Thereafter, the department shall give to the delinquent taxpayer written notice of the estimated taxes, penalty, and interest, which notice shall be to the last address the taxpayer provided to the department.

(Adds R.S. 47:306(F))