

2016 Regular Session

HOUSE BILL NO. 426

BY REPRESENTATIVE BROADWATER

TAX RETURN: Establishes qualifications for the issuance of a Direct Payment Number for purposes of payment of sales and use taxes

1 AN ACT

2 To amend and reenact R.S. 47:303.1(B)(1)(a) and (c), relative to tax returns; to provide for
3 qualifications for the issuance of a direct payment number assigned by the
4 Department of Revenue; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

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

8 §303.1. Direct Payment Numbers

9 * * *

10 B.(1) A DP Number shall be issued to and shall be continued to be held by
11 a taxpayer who obtains the required approvals and who meets all of the qualifications
12 provided for in this Section and the following qualifications:

13 (a) The taxpayer's primary business is in the state ~~is that of a manufacturer~~
14 ~~of tangible personal property for resale where such manufacturing occurs at a~~
15 ~~manufacturing establishment or facility within the state.~~

16 * * *

17 (c) The taxpayer has an annual average of ~~five million~~ eight hundred
18 thousand dollars of taxable purchases or leases of tangible personal property and
19 taxable services for three calendar years prior to the year of application by the
20 taxpayer, and has such an average for each subsequent three-year period.

21 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 426 Original

2016 Regular Session

Broadwater

Abstract: Expands the qualifications for eligibility for a business to obtain a Direct Payment Number for purposes of direct payment of sales and use taxes due on purchases by the business.

Present law provides that a taxpayer who has obtained a Direct Payment Number (DPN) from the Dept. of Revenue may directly pay both state and local sales and use taxes which are due on its purchases of tangible personal property and services or leases.

Present law establishes requirements for a taxpayer to receive a DPN, which include:

- (1) The taxpayer is a manufacturer of tangible personal property for resale where such manufacturing occurs at a manufacturing establishment or facility within La. and the taxpayer's primary place of business is in La.
- (2) The taxpayer has an annual average of \$5,000,000 of taxable purchases or leases of tangible personal property and taxable services for three calendar years prior to the year of application by the taxpayer, and maintains such an average for each subsequent three-year period.

Proposed law changes present law by expanding the qualifications from manufacturers to any business.

Proposed law changes present law by reducing the required annual minimum amount of taxable purchases and leases from \$5,000,000 to \$800,000.

(Amends R.S. 47:303.1(B)(1)(a) and (c))