
DIGEST

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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))