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Department of Revenue Policy Services Division

Advance Notice of Proposed Rulemaking and Solicitation of Comments Concerning Payment of Sales and Use Taxes by Persons Constructing, Altering, or Repairing Immovable Property (LAC 61:I.4372)

As part of its ongoing effort to provide guidance to taxpayers concerning the proper interpretation of the law and to prevent the loss of tax revenue to which the State is entitled under the law, the Department of Revenue is hereby providing notice of its intention to proceed with rulemaking to implement a presumption that sales of tangible personal property made to contractors for use in the construction, alteration, or repair of immovable property are sales to consumers or users, not sales for resale, and therefore the contractor is liable for sales or use taxes on its purchases or importations of such tangible personal property.

The Department of Revenue, Office of Legal Affairs, Policy Services Division is requesting comments from industry, tax preparers, and the public on the proposed rule, which is posted on the Department's website at <http://revenue.louisiana.gov>.

Written comments addressing this matter are due no later than 4:30 p.m., December 15, 2011, and should be submitted to Frederick Mulhearn, Policy Services Division, Office of Legal Affairs, Louisiana Department of Revenue, P.O. Box 44098, Baton Rouge, LA 70804-4098 or by fax to (225) 219-2759. Persons commenting should reference this matter as "Sales/Use Taxes re: Work on Immovables."

Cynthia Bridges
Secretary