

# "TAX FACTS" NEWSLETTER

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EAST BATON ROUGE PARISH FINANCE DEPARTMENT

JULY, 1999

## Local Sales and Use Tax Rate Increase

On April 28, 1999, the East Baton Rouge Parish School Board adopted an amendment to the Sales and Use Tax Ordinance levying an additional .53% tax effective July 1, 1999. This tax is applicable to taxable transactions in the City of Baton Rouge, Parish of East Baton Rouge, City of Baker, and City of Zachary. This rate increase is for a period of five (5) years--July 1, 1999 through June 30, 2004.

Proceeds from the .53% tax rate increase will be used for the purpose of funding repairs and renovations, enhancing technology, construction, improving discipline, providing for alternative education, and reducing truancy in public schools in East Baton Rouge Parish. Sales of food for home consumption, sales of prescription drugs, and medically related items are specifically exempt, as provided by law, from the .53% additional tax.

As a result, the local sales and use tax rate in East Baton Rouge Parish will increase from 4.41% to 4.94% on July 1, 1999.

## FINANCE DEPARTMENT HOSTS SEMINAR FOR TAXPAYERS

The Finance Department will host a tax seminar on Friday, August 27, 1999, to address use tax issues, implementation of the new school district tax, and general issues concerning sales tax. A representative of the State of Louisiana Department of Revenue, will also be in attendance. Anyone interested in attending can contact the Revenue Division or visit the Finance Department web site and register on-line. If you have a question or topic concerning sales/use tax that you would like to have discussed, please fax it to the attention of Steve Thomas or send e-mail to [sthomas@ci.baton-rouge.la.us](mailto:sthomas@ci.baton-rouge.la.us). Seating is limited, so please register early. The deadline for registration is August 16, 1999.

**Date:** August 27, 1999  
**Time:** 10 a.m. to 12 noon  
**Place:** Jones Creek Library  
**Phone:** (225) 389-3084  
**Fax:** (225) 389-5369



**Need a Sales Tax  
Reporting Form?  
Visit our web site at  
[www.ci.baton-rouge.la.us/dept/finance](http://www.ci.baton-rouge.la.us/dept/finance)  
and print the form  
you need.**

# Accrual Basis vs. Cash Basis

## *When Must a Vendor Remit Sales Tax?*

A question frequently asked by taxpayers is when must they remit sales tax--at the time payment is received (Cash Basis) or at the time the sale is made (Accrual Basis)? Sales taxes are normally due on an accrual basis rather than a cash basis. Accrual basis means that sales tax is due in the month the sale is made. For example, vendors making credit sales or installment sales must report these sales and remit sales tax in the month the sale is made, not when a payment is received. The same is true for vendors repairing property. Sales tax is due in the month the repair is performed, not when payment is received.

However, there is an exception for lease and rental transactions. Lease and rental proceeds are reported and the tax remitted in the month the lease and rental proceeds are actually collected, not the month the lease or rental transaction accrued. Only lease and rental transactions are reported on the cash basis for sales tax reporting purposes.

## City-Parish Now on the World Wide Web

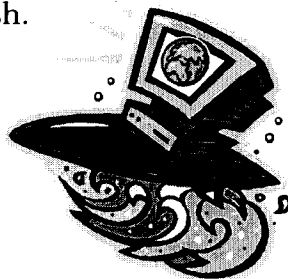
The City-Parish Finance Department is now on the Internet. Our web site address is [www.ci.baton-rouge.la.us/dept/finance](http://www.ci.baton-rouge.la.us/dept/finance). A variety of tax information can be found on our web site including:

- \* Taxing Ordinances
- \* Sales/Use Tax Reporting Forms
- \* Tax Application Form
- \* Tax Rate Schedules
- \* Hotel-Motel Tax Reporting Form
- \* "Tax Facts" Newsletter

Soon to be available on our web site will be the Sales and Use Tax Regulations and the Tax Application Packet for Sales/Use

Tax and Occupational License Tax for New Businesses. Please check out our site and let us know what information you would like access to.

Another important web address to remember is [www.laota.com](http://www.laota.com) for access to the Louisiana Association of Tax Administrators. You can find reporting forms for sales/use tax and occupational license tax, as well as parish rate schedules and Tax Administrators for each parish.



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## Sales Tax Due Dates



Listed below are the sales tax due dates for the third quarter of 1999. Returns bearing a U.S. postmark on or after the delinquent dates will be assessed penalty, interest, and loss of vendor's compensation.

### July, 1999

**Due date - August 1**

**Delinquent date - August 21**

### August, 1999

**Due date - September 1**

**Delinquent date - September 21**

### September, 1999

**Due date - October 1**

**Delinquent date - October 21**

**PLEASE REMEMBER TO MAIL  
EARLY!**