

## RULE

### Association of Tax Administrators

#### Tax on the Storage of Property (LAC 72.I:Chapter 5)

Under the authority of the Uniform Local Sales Tax Code, R.S. 47:337.1 et seq., and in accordance with the Uniform Local Sales Tax Administrative Procedure Act, R.S. 47:337.91 et seq., the Louisiana Association of Tax Administrators has adopted regulations relating to the tax on the storage of property.

#### Title 72

#### UNIFORM LOCAL SALES TAX

#### Part I. General Provisions

#### Chapter 5. Tax on the Storage of Property

NOTE: See LAC 61:I.4404.I for rules on Interstate Commerce and Export

##### §501. Purpose

A. For the purpose of use tax levied by local political subdivisions, *storage* means the keeping or retention of tangible personal property for use or consumption within the local taxing jurisdiction. An analysis of whether or not a taxable storage event has occurred within a local taxing jurisdiction requires an evaluation of the original sales transaction as well as the subsequent possession and use of the tangible personal property by the purchaser.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:337.12, and R.S. 47:337.91 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Association of Tax Administrators, LR 33:510 (March 2007).

##### §503. Transactions

A. Transactions involving specific pieces of property imported by the purchaser into the taxing jurisdiction, which have written documentation, i.e., invoices, purchase orders, etc., clearly labeled (earmarked for exclusive use outside the taxing jurisdiction) for transshipment outside the taxing jurisdiction at the time of importation into the taxing jurisdiction, are excluded from use tax. Property may be stored in the taxing jurisdiction for an indefinite period of time, however any disposition of the property for a purpose contrary to that originally labeled (earmarked) would immediately subject the transaction to the use tax in the jurisdiction where stored.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:337.12, and R.S. 47:337.91 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Association of Tax Administrators, LR 33:510 (March 2007).

##### §505. Property that Comes to Rest in the Taxing Jurisdiction

A. Property that comes to rest in the taxing jurisdiction which has been documented for exclusive use outside the taxing jurisdiction may also be excluded from use tax if the purchaser obtains a Temporary Storage Tax Exemption Certificate from the collector prior to or at the time the tangible personal property is imported into the taxing jurisdiction. This certificate would allow the taxpayer/purchaser to store the tangible personal property without the payment of the use tax, however, the purchaser must identify where the tangible personal property will be

used on the certificate. If the parish of use is the same as the parish of storage, the tax must be paid at the time of delivery.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:337.12, and R.S. 47:337.91 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Association of Tax Administrators, LR 33:510 (March 2007).

##### §507. Transaction in which Title and Possessions Are Transferred

A. Transactions in which title and possession of tangible personal property are transferred within a local taxing jurisdiction are clearly sales at retail and these transactions are not eligible for the temporary storage exclusion. Sales tax is due regardless of whether a Temporary Storage Tax Exemption Certificate has been issued or the property is labeled (earmarked) for use in another jurisdiction. The key factor in the transaction is the delivery in purchaser's taxing jurisdiction via the seller's vehicle or by the seller's agent. In such event, the seller is physically giving possession to the purchaser in the purchaser's taxing jurisdiction and a sales tax would be due. Likewise, when the purchaser picks up the property in its own vehicle at the seller's place of business, title and possession have been transferred, and a sales tax would be due in the seller's taxing jurisdiction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:337.12, and R.S. 47:337.91 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Association of Tax Administrators, LR 33:510 (March 2007).

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