



Revenue Information Bulletin

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Sales Tax

Resale Certificates for Dealers Who Purchase Tangible Personal Property for Resale to the Public

Effective July 1, 2009, the Louisiana Department of Revenue (LDR) will begin issuing certificates to retailers and other dealers who purchase tangible personal property for resale to the public.

LDR will issue one of two resale certificates to dealers depending on the nature of their business:

- Resale Dealer Certificate Form R-1064; or
- Limited Resale Dealer Certificate Form R-1055

Resale Dealer Certificate Form R-1064 is designed for dealers whose primary business activity is retail sales to the public.

Limited Resale Dealer Certificate Form R-1055 is designed for dealers who are not identified as retailers under the North American Industry Classification System (NAICS), but whose business involves the occasional purchase of tangible personal property for resale to the public.

Each certificate contains the name, LDR account number, and NAICS code of the dealer to whom it is issued. When purchasing tangible personal property for resale to the public, the holder must present the certificate to the vendor in order to be eligible for an exemption from the four-percent Louisiana state sales tax. Vendors should retain copies of resale dealer certificates as proof of a customer's exemption. The resale certificate may be used only to purchase items for resale. Purchases for a dealer's business use or consumption are taxable and the dealer is required to pay the tax at the time of purchase.

Form R-1064 and Form R-1055 are being issued to replace Louisiana Resale Certificate Form R-1042, which became available upon the January 1, 2009, repeal of Louisiana's advance sales tax. The advance sales tax provision required dealers to pay sales tax on purchases for resale and then claim credit for tax on their sales tax returns. The transition period for the repeal of the advance sales tax ends on June 30, 2009. Form R-1042 will cease to be available on that date. Current holders of Form R-1042 should be aware that it will cease to be valid effective October 31, 2009.

The Resale Dealer Certificate Form R-1064 will be issued to dealers whose NAICS code indicates that retail sales are their primary business activity. Dealers whose NAICS code do not qualify as a retail dealer but who occasionally purchase items for resale, may apply for a Limited Resale Dealer Certificate, Form R-1055, using the Resale Certificate Application, Form R-1067.

New dealers who register for sales tax accounts after July 1, 2009, will be issued a resale certificate if their NAICS code qualifies. Dealers who do not qualify for the resale certificate must apply for the limited resale certificate using the Resale Certificate Application, Form R-1067.

Once issued, Resale Dealer Certificate Form R-1064 will remain valid for three years. Limited Resale Dealer Certificate Form R-1055 will remain valid for two years. Each certificate will be subject to automatic renewal if the holder reports any sales activity within 12 months of the certificate's expiration date.

The Department of Revenue will provide an online verification system for vendors to confirm the validity of dealer exemption certificates.

For more information, please call the LDR Taxpayer Services Division at 225-219-7356.

Cynthia Bridges
Secretary

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