



Louisiana Department of Public Safety
Office of Motor Vehicles
**Policy 47.04 Vendors Compensation Allowed for the
Collection of Sales / Use Tax**

Section: 4. Motor Vehicle Registration Requirements

Effective Date: 02/24/1994

Revised Date: 05/11/2016

Authority:

[R.S. 47:301 \(4\)](#)

[R.S. 47:306 A \(3\)](#)

To view Louisiana Statutes: <http://www.legis.state.la.us/>

General:

- Each dealer shall be allowed a reduction of 0.935% of the amount of tax due provided the payment is remitted timely.
- A dealer includes every person who manufactures or produces tangible personal property for sale at retail, for use, or consumption, distribution, or for storage to be used or consumed in a taxing jurisdiction.

Requirements:

- The vendors compensation shall be allowed only if the payment of the taxes is remitted timely.

Procedure:

- Credit is calculated by multiplying the tax due by the percentage of vendors compensation allowed. Credits are calculated separately for state, parish, and municipality taxes.
 - Vendors compensation is allowed on any dealer file in which penalty and interest are not due on the sales/use tax.
 - Files processed with a tax date prior to July 1, 2013 shall be allowed a state vendors compensation rate of 1.1%.
 - Files processed with a tax date on or after July 1, 2013 shall be allowed a state vendors compensation rate of .935%
 - Files processed with a DAQ/tax date on or after April 01, 2016 shall only be allowed parish and municipality vendors' compensation. The credit varies accordingly.
- **Note:** The tax date is defined as the purchase date of the vehicle or the date the vehicle was brought into the state.