

# TAX SERVICES

## SALES TAX REFUND FOR DESTROYED PERSONAL PROPERTY

### Louisiana Sales Tax Refund for Tangible Personal Property Destroyed in a Natural Disaster.

Individual taxpayers who lost personal property in a Hurricane Katrina disaster-area parish may apply for a refund of the state sales tax paid on uninsured property that was destroyed in the storm.

To qualify for the refund, the Louisiana Department of Revenue has established the following criteria:

1. The property must have been completely destroyed in one of the parishes declared a disaster area by the President.
2. The destroyed property must have been owned by an individual and not a corporation or partnership.
3. The destroyed property must have been held for personal use at the person's primary residence. Property destroyed at camps or secondary residences do not qualify for the refund.



4. The claimant must be the owner of the destroyed property, as well as being the one who purchased and paid the Louisiana state sales tax on the property. Items listed as gifts should not be included because the claimant was not the person who purchased and paid the Louisiana state sales tax on the property. This refund claim is for Louisiana state sales tax only and should not include tangible personal property on which sales tax was paid to another state. The claim should not include local sales taxes paid to the parish or municipality.

5. The destroyed property must not have been owned by a business, partnership or corporation or used for commercial purposes. The refund does not apply to partnerships or corporations. Business losses will not be allowed, even by individuals, since the law limits the losses to property that is a part of and used in or about a person's home, apartment or homestead.

6. The destroyed property must be classified as movable property at the time of destruction rather than as part of a fixed structure.

- a. Refunds can be claimed for taxes paid on movables such as clothing, appliances, furniture, etc. Qualifying items of movable property also include food, nonprescription drugs and appliances not permanently attached to a house or building. In addition, mops, brooms, curtains, bed linens, free standing bookcases, area rugs as well as any other personal items not attached



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## SALES TAX REFUND (CONT'D)

to the house are included. Generally, an item is considered to be permanently attached if the removal of the item will cause damage either to the item itself or the thing to which it is attached. Items must no longer be functional. Any claim for repaired or refurbished items will not be allowed.

b. Refunds are not allowed on real property. Nonqualifying real property generally includes a house or building and all central heating and cooling systems, lighting fixtures, lavatories, dishwashers, water heaters, Jacuzzis, hot tubs or spas and wall to wall carpeting that are actually connected with or attached to a house or building and are immovable by their nature.

c. Refunds are not allowed on titled assets such as automobiles or all terrain vehicles. In addition, refunds are not allowed on boats, water or snow skis, golfing or tennis equipment or other recreation equipment purchased for use away from the homestead.



7. The property loss must not have been covered by insurance or other reimbursement.

8. The claimant must be a resident of Louisiana and have filed a Louisiana state income tax return for the year prior to the date of the claim. If a Louisiana income tax return was not required to be filed, an explanation along with supporting documentation, if available, must be included with the claim.

*The Department of Revenue has indicated that only two people have been assigned to review the refunds so expect a slow process. They will not have time to review receipts; and individuals may estimate the cost but must be reasonable. They will view the last year's individual tax return to see if how an amount relates in reasonableness to the income of the taxpayer. Note that the refund is based on the historical cost of the property and not the replacement cost.*

Form R-1362 is used to file for the refund claim.

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**For further info: Contact Ellen Yellin or visit:  
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