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## DIGEST

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HB 220 Original

2017 Regular Session

Magee

**Abstract:** Repeals 3% of the state's combined 5% sales and use taxes and provides for the base of the remaining 2% tax.

Present law imposes a combined 5% rate for state sales and use tax upon the sale at retail, the use, the consumption, the distribution, the storage, lease, or rental of tangible personal property in La., as well as certain specific services. (R.S. 47:302, 321, 321.1, and 331)

Present law provides for disposition of a portion of the avails of state sales and use taxes collected on hotel occupancy, which are dedicated to a number of special treasury funds, the majority of which are dedicated for support of tourism and other local governmental purposes.

Proposed law changes present law by repealing 3% of the combined 5% rate for state sales and use taxes, along with the dedications of the avails of the taxes being repealed. (R.S. 47:321, 321.1, and 331)

Present law establishes a variety of state sales and use tax exclusions and exemptions.

Present law suspends numerous exemptions and exclusions from the state sales and use tax (R.S. 47:302, 321, 321.1, and 331) until July 1, 2018.

Proposed law changes present law by making permanent those suspensions for the 2% levy (R.S. 47:302) beginning July 1, 2017.

Effective July 1, 2017.

(Amends R.S. 47:302(X), and the heading of Ch. 2-B of Subtitle II of Title 47; Repeals R.S. 47:321-325, and R.S. 47:331-332.54)