

2017 Regular Session

HOUSE BILL NO. 655

BY REPRESENTATIVE REYNOLDS

TAX/SALES & USE: Provides with respect to the levy of state sales and use taxes on certain sales of services

1 AN ACT

2 To enact R.S. 47:301(14)(l) through (w) and (16)(r), relative to sales and use taxes; to
3 provide with respect to the state sales and use tax base; to provide for the taxation
4 of sales of certain services; to provide for exclusions and exemptions; to provide for
5 effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(14)(l) through (w) and (16)(r) are hereby enacted to read as
8 follows:

9 §301. Definitions

10 As used in this Chapter the following words, terms, and phrases have the
11 meanings ascribed to them in this Section, unless the context clearly indicates a
12 different meaning:

13 * * *

14 (14) "Sales of services" means and includes the following:

15 * * *

16 (1) The furnishing of personal services including massage parlors, escort
17 services, and turkish baths or steam baths.

18 (m) The furnishing of credit reporting services, including the assembly or
19 furnishing of a credit history or credit information relating to any person.

1 (n)(i) The furnishing of debt collection services, including any activity to
2 collect or adjust a delinquent debt, to collect or adjust a claim, or to repossess
3 property subject to a claim.

4 (ii) The furnishing of debt collection services shall not include any of the
5 following:

6 (aa) The collection of a judgment by an attorney or by a partnership or
7 professional corporation of attorneys if the attorney, partnership, or corporation
8 represented the person in the suit from which the judgment arose;

9 (bb) The collection of court-ordered child support or medical child support;
10 or

11 (cc) A service provided by a person acting as a trustee in connection with the
12 foreclosure sale of immovable property under a lien created by a mortgage or
13 security instrument.

14 (o)(i) The furnishing of insurance services, including insurance loss or
15 damage appraisal, insurance inspection, insurance investigation, insurance actuarial
16 analysis or research, insurance claims adjustment or claims processing, or insurance
17 loss prevention service.

18 (ii) "Insurance service" shall not include insurance coverage for which a
19 premium is paid or commissions paid to insurance agents for the sale of insurance
20 or annuities, or a service performed on behalf of an insured by a person who is
21 licensed as a public insurance adjustor by the Department of Insurance.

22 (p)(i) The furnishing of immovable property services, including any of the
23 following: landscaping; the care and maintenance of lawns, yards, or ornamental
24 trees, or other plants; the removal or collection of garbage, rubbish, or other solid
25 waste; building or grounds cleaning, janitorial, or custodial services; a structural pest
26 control service; and the surveying of immovable property.

27 (ii) The furnishing of immovable property services shall not include any of
28 the following: hazardous or industrial solid waste; waste material that results from
29 an activity associated with the exploration, development, or production of oil, gas,

1 geothermal resources, or any other substance or material; domestic sewage or an
2 irrigation return flow, to the extent the sewage or return flow does not constitute
3 garbage or rubbish; or industrial discharges subject to regulation by permit issued
4 under Louisiana law.

5 (iii) Immovable property service shall not include a service listed under Item
6 (i) of this Subparagraph, if the service is performed by a landman and is necessary
7 to negotiate or secure land or mineral rights for acquisition or trade, including any
8 of the following: determining ownership; negotiating a trade or agreement
9 regarding land or mineral rights; drafting and administering contractual agreements;
10 ensuring that all governmental regulations are complied with; or any other action
11 necessary to complete the transaction related to a service described by this Item,
12 other than an information service under R.S. 47:301(14)(v).

13 (q)(i) The furnishing of data processing services, including word processing,
14 data entry, data retrieval, data search, information compilation, payroll and business
15 accounting data production, and other computerized data and information storage
16 manipulation.

17 (ii) As used in this Subparagraph the following terms and phrases shall have
18 the following meanings:

19 (aa) "Data processing service" means and includes the use of a computer or
20 computer time for data processing whether the processing is performed by the
21 provider of the computer or computer time or by the purchaser or other beneficiary
22 of the service.

23 (bb) "Data processing service" means and includes the use of a computer to
24 perform totalizator services for the purpose of registering wagers and dividing total
25 winnings derived from wagering on the outcome of pari-mutuel races.

26 (cc) "Data processing service" shall not include the transcription of medical
27 dictation by a medical transcriptionist.

1 (dd) "Data storage" shall not include a classified advertisement, banner
2 advertisement, vertical advertisement, or link when the item is displayed on an
3 Internet website owned by another person.

4 (r)(i) The furnishing of immovable property repair and remodeling, including
5 the repair, restoration, remodeling, or modification of an improvement to immovable
6 property.

7 (ii) The furnishing of immovable property repair and remodeling shall not
8 include an improvement to a manufacturing or processing production unit in a
9 petrochemical refinery or chemical plant that provides increased capacity in the
10 production unit.

11 (iii) For purposes of this Subparagraph, the following words and phrases
12 shall have the following meanings:

13 (aa) "Increased capacity" means the capability to produce additional products
14 or services as measured by units per hour or units per year; or a new product or
15 service.

16 (bb) "Production unit" means a group of manufacturing and processing
17 machines and ancillary equipment that together are necessary to create or produce
18 a physical or chemical change beginning with the first processing of the raw material
19 and ending with the finished product.

20 (cc) "New product" means a product that has different product properties and
21 a different commercial application than the product previously manufactured or
22 processed by the production unit that produced the previous product.

23 (s) The furnishing of security services, including services for which a license
24 is required under Louisiana law.

25 (t) The furnishing of telephone answering services.

26 (u) The furnishing of audio and video services, including the streaming or
27 downloading of digital goods as defined in R.S. 47:301(16)(r).

Effective beginning on Sept. 1, 2017.

(Adds R.S. 47:301(14)(l)-(w) and (16)(r))