

2019 Regular Session

HOUSE BILL NO. 599

BY REPRESENTATIVES LANCE HARRIS, ADAMS, AMEDEE, BACALA, BAGLEY, BARRAS, BERTHELOT, BILLIOT, CARMODY, STEVE CARTER, COUSSAN, CREWS, DEVILLIER, EDMONDS, EMERSON, FALCONER, GAROFALO, HILFERTY, HODGES, HORTON, HOWARD, HUVAL, MIKE JOHNSON, NANCY LANDRY, LEOPOLD, MACK, MCMAHEN, MIGUEZ, PUGH, PYLANT, SCHEXNAYDER, SEABAUGH, SIMON, AND THOMAS

TAX/SALES & USE: Reduces the rate of the .45% state sales and use tax levy over a certain period of time

1 AN ACT

2 To amend and reenact R.S. 47:321.1(A) through (C) and (G) and to repeal R.S. 47:321.1,  
3 relative to state sales and use taxes; to reduce a certain state sales and use tax over  
4 a certain period of time; to dedicate the avails of certain state sales and use tax; to  
5 repeal a certain state sales and use tax; to provide for effectiveness; and to provide  
6 for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:321.1 (A) through (C) and (G) are hereby amended and reenacted  
9 to read as follows:

10 §321.1. Imposition of tax

11 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and  
12 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an  
13 additional tax upon the sale at retail, the use, the consumption, the distribution, and  
14 the storage for use or consumption in this state of each item or article of tangible  
15 personal property as defined in Chapter 2 of this Subtitle. The levy of said tax shall  
16 be as follows:

1           (1)(a) ~~Except as provided in Subparagraph (b) of this Paragraph, At~~ at the rate  
2 of forty-five hundredths of one percent of the sales price of each item or article of  
3 tangible personal property when sold at retail in this state, the tax to be computed on  
4 gross sales for the purpose of remitting the amount of tax to the state, and to include  
5 each and every retail sale.

6           (b) Beginning July 1, 2020, the rate of the sales and use tax levied pursuant  
7 to provisions of this Subsection on the sales price of each item or article of tangible  
8 personal property when sold at retail in this state, the tax to be computed on gross  
9 sales for the purpose of remitting the amount of tax to the state, and to include each  
10 and every retail sale shall be reduced as follows:

11           (i) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one  
12 percent.

13           (ii) Beginning July 1, 2021, the rate shall be twenty-five hundredths of one  
14 percent.

15           (iii) Beginning July 1, 2022, the rate shall be fifteen hundredths of one  
16 percent.

17           (iv) Beginning July 1, 2023, through June 30, 2025, the rate shall be five  
18 hundredths of one percent.

19           (2)(a) ~~Except as provided in Subparagraph (b) of this Paragraph, At~~ at the rate  
20 of forty-five hundredths of one percent of the cost price of each item or article of  
21 tangible personal property when the same is not sold but is used, consumed,  
22 distributed, or stored for use or consumption in this state, provided that there shall  
23 be no duplication of the tax.

24           (b) Beginning July 1, 2020, the rate of the sales and use tax levied pursuant  
25 to provisions of this Subsection on the cost price of each item or article of tangible  
26 personal property when the same is not sold but is used, consumed, distributed, or  
27 stored for use or consumption in this state, provided that there shall be no duplication  
28 of the tax shall be reduced as follows:

1           (i) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one  
2           percent.

3           (ii) Beginning July 1, 2021, the rate shall be twenty-five hundredths of one  
4           percent.

5           (iii) Beginning July 1, 2022, the rate shall be fifteen hundredths of one  
6           percent.

7           (iv) Beginning July 1, 2023, through June 30, 2025, the rate shall be five  
8           hundredths of one percent.

9           B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and  
10          collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied a  
11          tax upon the lease or rental within this state of each item or article of tangible  
12          personal property, as defined by Chapter 2 of this Subtitle; the levy of the tax to be  
13          as follows:

14           (1)(a) Except as provided in Subparagraph (b) of this Paragraph, At at the rate  
15          of forty-five hundredths of one percent of the gross proceeds derived from the lease  
16          or rental of tangible personal property, as defined in Chapter 2 of this Subtitle, where  
17          the lease or rental of such property is in an established business, or part of an  
18          established business, or the same is incidental or germane to the business.

19           (b) Beginning July 1, 2020, the rate of the sales and use tax levied pursuant  
20          to provisions of this Subsection on the gross proceeds derived from the lease or  
21          rental of tangible personal property, as defined in Chapter 2 of this Subtitle, where  
22          the lease or rental of such property is in an established business, or part of an  
23          established business, or the same is incidental or germane to the business shall be  
24          reduced as follows:

25           (i) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one  
26           percent.

27           (ii) Beginning July 1, 2021, the rate shall be twenty-five hundredths of one  
28           percent.

1           (iii) Beginning July 1, 2022, the rate shall be fifteen hundredths of one  
2           percent.

3           (iv) Beginning July 1, 2023, through June 30, 2025, the rate shall be five  
4           hundredths of one percent.

5           (2)(a) ~~Except as provided in Subparagraph (b) of this Paragraph, At~~ at the rate  
6           of forty-five hundredths of one percent of the monthly lease or rental price paid by  
7           a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee to the  
8           owner of the tangible personal property.

9           (b) Beginning July 1, 2020, the rate of the sales and use tax levied pursuant  
10          to provisions of this Subsection on the monthly lease or rental price paid by a lessee  
11          or rentee, or contracted or agreed to be paid by a lessee or rentee to the owner of  
12          tangible personal property shall be reduced as follows:

13           (i) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one  
14           percent.

15           (ii) Beginning July 1, 2021, the rate shall be twenty-five hundredths of one  
16           percent.

17           (iii) Beginning July 1, 2022, the rate shall be fifteen hundredths of one  
18           percent.

19           (iv) Beginning July 1, 2023, through June 30, 2025, the rate shall be five  
20           hundredths of one percent.

21           C. In addition to the tax levied on sales of services by R.S. 47:302(C),  
22           321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle,  
23           there is hereby levied a tax upon all sales of services in this state, as those services  
24           are defined by Chapter 2 of this Subtitle, at the rate of forty-five hundredths of one  
25           percent of the amounts paid or charged for the services. Beginning July 1, 2020, the  
26           rate of the tax levied on all sales of services pursuant to the provisions of this  
27           Subsection shall be reduced as follows:

28           (1) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one  
29           percent of the amounts paid or charged for the services.



Present law imposes a state sales and use tax on the sale, use, lease, or rental of tangible personal property and sales of services in the state pursuant to the following levies in the following amounts:

R.S. 47:302 - 2%  
R.S. 47:321 - 1%  
R.S. 47:321.1 - .45%  
R.S. 47:331 - .97%  
R.S. 51:1286 - .03%

Proposed law reduces the rate of the .45% state sales and use tax levied on the sale at retail, the use, the consumption, the distribution, and the storage for the use or consumption of tangible personal property, the monthly lease or rental price of items of tangible personal property, and services as follows:

- (1) Beginning July 1, 2020, the rate will be reduced to .35%
- (2) Beginning July 1, 2021, the rate will be reduced to .25%
- (3) Beginning July 1, 2022, the rate will be reduced to .15%
- (4) Beginning July 1, 2023, through June 30, 2025, the rate will be reduced to .05%

Proposed law dedicates .05% of the avails of the sales and use tax to the La. Early Childhood Education Fund.

Present law repeals the .45% levy of the state sales and use tax on July 1, 2025.

Proposed law retains present law.

Effective July 1, 2020.

(Amends R.S. 47:321.1(A) through (C) and (G); Repeals R.S. 47:321.1)

The House Floor Amendments to the engrossed bill:

1. Change the termination of the tax from July 1, 2023, to a further reduction of the tax to .05% from July 1, 2023, through June 30, 2025.
2. Dedicate .05% of the sales and use tax to the La. Early Childhood Education Fund from July 1, 2020, through June 30, 2025.
3. Change the date that present law and proposed law as it relates to the sales tax levied in R.S. 47:321.1 is repealed from July 1, 2023 to July 1, 2025.
4. Make technical corrections.