
DIGEST

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HB 599 Reengrossed

2019 Regular Session

Lance Harris

Abstract: Beginning July 1, 2020, reduces the .45% sales and use state tax levied over a period of five fiscal years to .05% and dedicates .05% of the sales and use tax to the La. Early Childhood Education Fund.

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 Change the date that present law and proposed law as it relates to the sales tax levied in R.S. 47:321.1 is repealed from July 1, 2023 to July 1, 2025.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.