

2016 First Extraordinary Session

HOUSE BILL NO. 72

BY REPRESENTATIVE SHADOIN

TAX/SALES-USE, STATE: Increases the state sales tax on telecommunications services
(Item #24)

1 AN ACT

2 To amend and reenact R.S. 47:302(C) and 331(C)(1) and (2), relative to state sales and use
3 tax; to provide for the tax on telecommunications services; to establish the tax rate;
4 to provide for effectiveness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:302(C) and 331(C)(1) and (2) are hereby amended and reenacted
7 to read as follows:

8 §302. Imposition of tax

9 * * *

10 C.(1) There is hereby levied a tax upon all sales of services, as herein
11 defined, in this state, at the rate of two percent of the amounts paid or charged for
12 such services.

13 ~~(2) Notwithstanding any provision of law to the contrary, effective on April~~
14 ~~1, 2016, the tax levied by this Section shall not apply to the furnishing of interstate~~
15 ~~telecommunications services or international telecommunications services reflected~~
16 ~~on bills submitted by telecommunications service providers to their customers which~~
17 ~~are dated on and after that date, regardless of when such services are provided.~~

1 ~~(3)~~ (2) The tax levied in this Section shall be collected from the dealer, as
 2 defined herein, shall be paid at the time and in the manner hereinafter provided, and
 3 shall be in addition to all other taxes, whether levied in the form of excise, license,
 4 or privilege taxes, and shall be in addition to taxes levied under the provisions of
 5 Chapter 3 of Subtitle II of this Title.

* * *

7 §331. Imposition of tax

* * *

9 C.~~(1)~~ In addition to the tax levied on sales of services by R.S. 47:302(C) and
 10 collected under the provisions of Chapter 2 of Subtitle II of this Title, there is hereby
 11 levied a tax upon all sales of services in this state, as defined by Chapter 2 of Subtitle
 12 II of this Title, ~~in this state~~, at the rate of ninety-seven one hundredths of one percent
 13 of the amounts paid or charged for such services.

14 ~~(2)(i) Except as otherwise provided in Subparagraph (ii) of this Paragraph,~~
 15 the The tax levied by this Section shall not apply to the furnishing of interstate
 16 telecommunications services or international telecommunications services, as both
 17 of those terms are defined in Chapter 2 of Subtitle II of this Title.

18 ~~(ii) Notwithstanding any provision of law to the contrary, effective on April~~
 19 ~~1, 2016, the tax levied by this Section shall apply to the furnishing of interstate~~
 20 ~~telecommunications services and international telecommunications services, as both~~
 21 ~~of those terms are defined in Chapter 2 of Subtitle II of this Title, reflected on bills~~
 22 ~~submitted by telecommunications service providers to their customers which are~~
 23 ~~dated on and after that date, regardless of when such services are provided.~~

* * *

25 Section 2. This Act shall become effective on April 1, 2016.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 72 Engrossed

2016 First Extraordinary Session

Shadoin

Abstract: Repeals provisions that reduce the tax on interstate and international telecommunications services from 2% to 1% effective April 1, 2016 thereby keeping the rate for these services at 2%.

Present law imposes a state sales tax on telecommunication services, in accordance with sourcing rules and definitions established under present law. The rate imposed on intrastate services is 3%, and the rate for interstate and international services is 2% through March 30, 2016, and decreases to 1% beginning April 1, 2016.

Proposed law repeals present law providing for the reduction in the tax rate for interstate and international telecommunications from 2% to 1% on April 1, 2016.

Effective April 1, 2016.

(Amends R.S. 47:302(C) and 331(C)(1) and (2))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Remove rate increase to 5% for all telecommunications services.
2. Remove provision that reduces the tax on interstate and international telecommunications services from 2% to 1% effective April 1, 2016.