

2017 Regular Session

HOUSE BILL NO. 391

BY REPRESENTATIVE ROBBY CARTER

TAX/SALES & USE: Adds the service of shipping and transportation of tangible personal property as a taxable service

1 AN ACT

2 To amend and reenact R.S. 47:301(3)(a) and to enact R.S. 47:301(14)(l), relative to sales  
3 and use tax; to provide with respect to taxable services; to provide for taxation of  
4 shipping and transportation costs for tangible personal property; 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(3)(a) is hereby amended and reenacted and R.S. 47:301(14)(l)  
8 is hereby enacted to read as 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 (3)(a) "Cost price" means the actual cost of the articles of tangible personal  
15 property without any deductions therefrom on account of the cost of materials used,  
16 labor, or service cost, except those service costs for installing the articles of tangible  
17 personal property if such cost is separately billed to the customer at the time of  
18 installation, ~~transportation charges~~, or any other expenses whatsoever, or the

1 reasonable market value of the tangible personal property at the time it becomes  
2 susceptible to the use tax, whichever is less.

3 \* \* \*

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

5 \* \* \*

6 (l) The furnishing of services for the shipping and transportation of tangible  
7 personal property.

8 \* \* \*

9 Section 2. This Act shall become effective on July 1, 2017.

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 391 Original

2017 Regular Session

Robby Carter

**Abstract:** Adds shipping and transportation services for tangible personal property as a taxable service for purposes of state and local sales and use taxes.

Present law imposes state sales and use taxes on tangible personal property and only those services specifically designated as taxable.

Present law provides for definitions to be used for administration and enforcement of state and local sales and use tax.

Proposed law adds to present law the service of shipping and transportation of tangible personal property as a taxable service.

Effective July 1, 2017.

(Amends R.S. 47:301(3)(a); Adds R.S. 47:301(14)(l))