

2017 Regular Session

HOUSE BILL NO. 264

BY REPRESENTATIVE BISHOP

TAX/SALES-USE-EXEMPT: Specifies the types of construction contracts eligible for exclusion from the levy of a new state or local sales and use tax

1 AN ACT

2 To amend and reenact R.S. 47:305.11(A), relative to sales and use taxes imposed by the
3 state or a political subdivision; to provide with respect to exclusions from the tax; to
4 provide for the types of construction contracts excluded from the imposition of a new
5 sales and use tax levy; to provide for effectiveness; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:305.11(A) is hereby amended and reenacted to read as follows:

9 §305.11. Exclusions and exemptions; contracts prior to and within ninety days of
10 tax levy

11 A. No new or additional sales or use tax shall be applicable to sales of
12 materials or services involved in lump sum ~~or~~ , unit price, fixed fee, or guaranteed
13 maximum price construction contracts entered into and reduced to writing prior to
14 the effective date of the statute or ordinance levying same or to sales or services
15 involved in such contracts entered into and reduced to writing within ninety days
16 thereafter, if such contracts involve contractual obligations undertaken prior to such
17 effective date and were computed and bid on the basis of sales taxes at the rates
18 effective and existing prior to such effective date.

19 * * *

1 Section 2. The provisions of this Act shall be applicable for purposes of any
2 additional state sales and use tax enacted on or after July 1, 2017.

3 Section 3. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 effective on the day following such approval.

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 264 Engrossed

2017 Regular Session

Bishop

Abstract: Excludes fixed fee and guaranteed maximum price construction contracts from the levy of a new state or local sales and use tax.

Present law establishes a sales and use tax exclusion from taxes imposed by the state and its political subdivisions for certain materials and services involved in construction contracts in the instance of a new sales and use tax levy.

Present law excludes from any new sales tax levy, materials and services for a lump sum or unit price construction contract entered into and reduced to writing either before the effective date of the new tax levy, or within 90 days of that date if the contract involves contractual obligations undertaken prior to that date and were computed and bid on the basis of tax rates effective and existing prior to the effective date of the new tax.

Proposed law changes present law by including in the types of contracts specified as eligible for the exclusion fixed rate and guaranteed maximum price construction contracts.

Proposed law is applicable for purposes of any additional state sales and use taxes enacted on or after July 1, 2017.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:305.11(A))

Summary of Amendments Adopted by House

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

1. Add applicability for proposed law for purposes of any additional state sales and use taxes enacted on or after July 1, 2017.