

2018 Third Extraordinary Session

HOUSE BILL NO. 4

BY REPRESENTATIVE BISHOP AND SENATOR WARD

TAX/SALES-USE, STATE: Provides for the rate of the state sales and use tax (Item # 1)

1 AN ACT

2 To amend and reenact R.S. 47:321.1(A) through (C) and (E), relative to state sales and use
3 tax; to provide for the tax rate; to provide for effectiveness; and to provide for related
4 matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:321.1(A) through (C) and (E) are hereby amended and reenacted
7 to read as follows:

8 §321.1. Imposition of tax

9 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and
10 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an
11 additional tax upon the sale at retail, the use, the consumption, the distribution, and
12 the storage for use or consumption in this state of each item or article of tangible
13 personal property as defined in Chapter 2 of this Subtitle. The levy of ~~said~~ the tax
14 shall be as ~~follows~~: provided in Paragraphs (1) and (2) of this Subsection.

15 (1) ~~At the rate of one percent of~~ On the sales price of each item or article of
16 tangible personal property when sold at retail in this state, the tax to be computed on
17 gross sales for the purpose of remitting the amount of tax to the state, and to include
18 each and every retail sale: shall be levied at the following rates:

19 (a) From July 1, 2018, through June 30, 2021, one-half of one percent.

20 (b) From July 1, 2021, through June 30, 2023, four-tenths of one percent.

1 (c) From July 1, 2023, through June 30, 2025, one-quarter of one percent.

2 (2) ~~At the rate of one percent of~~ On the cost price of each item or article of
3 tangible personal property when the same is not sold but is used, consumed,
4 distributed, or stored for use or consumption in this state, provided that there shall
5 be no duplication of the tax: the tax shall be levied at the following rates:

6 (a) From July 1, 2018, through June 30, 2021, one-half of one percent.

7 (b) From July 1, 2021, through June 30, 2023, four-tenths of one percent.

8 (c) From July 1, 2023, through June 30, 2025, one-quarter 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:~~ shall be as provided in Paragraphs (1) and (2) of this Subsection.

14 (1) ~~At the rate of percent of~~ On the gross proceeds derived from the lease or
15 rental of tangible personal property, as defined in Chapter 2 of this Subtitle, where
16 the lease or rental of such property is in an established business, or part of an
17 established business, or the same is incidental or germane to the business; the tax
18 shall be levied at the following rates:

19 (a) From July 1, 2018, through June 30, 2021, one-half of one percent.

20 (b) From July 1, 2021, through June 30, 2023, four-tenths of one percent.

21 (c) From July 1, 2023, through June 30, 2025, one-quarter of one percent.

22 (2) ~~At the rate of one percent of~~ On the monthly lease or rental price paid by
23 a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee to the
24 owner of the tangible personal property: the tax shall be levied at the following rates:

25 (a) From July 1, 2018, through June 30, 2021, one-half of one percent.

26 (b) From July 1, 2021, through June 30, 2023, four-tenths of one percent.

27 (c) From July 1, 2023, through June 30, 2025, one-quarter of one percent.

28 C. In addition to the tax levied on sales of services by R.S. 47:302(C),
29 321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle,

1 there is hereby levied a tax upon all sales of services in this state, as those services
2 are defined by Chapter 2 of this Subtitle, ~~at the rate of one percent of~~ on the amounts
3 paid or charged for the services: at the following rates:

4 (a) From July 1, 2018, through June 30, 2021, one-half of one percent.

5 (b) From July 1, 2021, through June 30, 2023, four-tenths of one percent.

6 (c) From July 1, 2023, through June 30, 2025, one-quarter of one percent.

7 * * *

8 E. The provisions of this Section shall be inapplicable, inoperative, and of
9 no effect after June 30, ~~2018~~ 2025.

10 * * *

11 Section 2. This Act shall become effective on July 1, 2018.

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 4 Original 2018 Third Extraordinary Session Bishop

Abstract: Extends the sunset of the temporary state sales and use tax from 2018 to 2025, provides for the tax rate to decrease to .50% for three years, and then to .40% for two years, and finally to .25% for two years before the sunset of the tax in 2025.

Present law imposes a 1% state sales and use tax on the sale, use, consumption, storage, or lease of tangible personal property and certain services in La. The imposition of the tax expires on June 30, 2018.

Proposed law extends the sunset of the tax levy from 2018 to 2025.

Proposed law changes present law by decreasing the rate from 1% to three different rates through June 30, 2025, as follows:

- (1) .50% tax rate from July 1, 2018, through June 30, 2021.
- (2) .40% tax rate from July 1, 2021, through June 30, 2023.
- (1) .25% tax rate from July 1, 2023, through June 30, 2025.

Effective July 1, 2018.

(Amends R.S. 47:321.1(A)-(C) and (E))