HLS 202ES-105 ORIGINAL

2020 Second Extraordinary Session

HOUSE BILL NO. 26

1

BY REPRESENTATIVE SCHEXNAYDER

TAX/SALES-USE-EXEMPT: Establishes a sales tax holiday to provide relief for recovery as a result of Hurricane Laura and the COVID-19 pandemic (Item #26)

AN ACT

2	To enact R.S. 47:302(BB)(113), 305.74, 321(P)(114), 321.1(I)(114), and 331(V)(114),
3	relative to sales and use tax; to establish a sales and use tax holiday for certain
4	purchases; to provide for requirements and limitations; to provide for the
5	effectiveness of the sales and use tax holiday; to provide for an effective date; and
6	to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 47:302(BB)(113), 305.74, 321(P)(114), 321.1(I)(114), and
9	331(V)(114) are hereby enacted to read as follows:
10	§302. Imposition of tax
11	* * *
12	BB. Notwithstanding any other provision of law to the contrary, including
13	but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
14	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
15	levied pursuant to the provisions of this Section, except for the retail sale, use,
16	consumption, distribution, or storage for use or consumption of the following:
17	* * *
18	(113) Purchases of tangible personal property pursuant to the sales tax
19	holiday as provided for in R.S. 47:305.74.
20	* * *

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1	§305.74. Exemption; sales tax holiday; November 20th and 21st, 2020; Hurricane
2	Laura and the COVID-19 pandemic
3	A.(1)(a) Notwithstanding any other provision of law to the contrary, the sales
4	and use tax levied by the state of Louisiana shall not apply to the first two thousand
5	five hundred dollars of the sales price or cost price of any consumer purchases of
6	tangible personal property that occur on Friday, November 20, 2020, and Saturday,
7	November 21, 2020, in order to provide tax relief for citizens recovering from
8	Hurricane Laura and the COVID-19 pandemic.
9	(b) The governing authority of a political subdivision may establish, by
10	ordinance or resolution adopted no later than November 6, 2020, an exemption for
11	the sales and use taxes levied by the political subdivision on the first two thousand
12	five hundred dollars of the sales price or cost price of any consumer purchases of
13	tangible personal property that occur on Friday, November 20, 2020, and Saturday,
14	November 21, 2020, in order to provide relief for citizens recovering from Hurricane
15	Laura and the COVID-19 pandemic.
16	(2) For purposes of this Section, "consumer purchases" shall mean purchases
17	of items of tangible personal property other than vehicles subject to license and title.
18	Consumer purchases shall not include the purchase of meals furnished for
19	consumption on the premises where purchased, including to-go orders.
20	B. This Section shall apply if and only if during the eligible tax exemption
21	period one of the following occurs:
22	(1) Title to or possession of an item of tangible personal property is
23	transferred from a selling dealer to a purchaser.
24	(2) A customer selects an eligible item from the selling dealer's inventory for
25	layaway that is physically set aside in the selling dealer's inventory for future
26	delivery to that customer.
27	(3) The customer makes final payment and withdraws an item from layaway
28	that might have been placed in layaway before the eligible tax exemption period.

1	(4) The customer orders and pays for an eligible item and the selling dealer
2	accepts the order for immediate shipment, even if delivery is made after the eligible
3	tax exemption period, provided that the customer has not requested delayed
4	shipment.
5	C. Eligible items that customers purchase during the eligible tax exemption
6	period with "rain checks" shall qualify for exemption, regardless of when the "rain
7	checks" are issued. However, issuance of "rain checks" during the exemption period
8	shall not qualify items for exemption if the otherwise eligible items are actually
9	purchased after conclusion of the eligible tax exemption period.
10	D.(1) When a customer purchases an eligible item during the eligible tax
11	exemption period and exchanges the item without additional cash consideration after
12	conclusion of the eligible tax exemption period for an essentially identical item of
13	different size, color, or other failure, no additional tax is due.
14	(2) When a customer, after conclusion of the eligible tax exemption period
15	returns an eligible item that was purchased during the eligible tax exemption period
16	and receives credit on the purchase of a different item, the appropriate sales tax is
17	due on the purchase of the new item.
18	E. For a sixty-day period after conclusion of the eligible tax exemption
19	period, when a customer returns an item that would qualify for an exemption, no
20	credit or refunds of sales tax shall be given unless the customer provides a receipt or
21	invoice that shows that the state sales tax was paid or the retailer has sufficient
22	documentation that shows that the tax was paid on the specific item. This sixty-day
23	period is not intended to change a dealer's policy concerning the time period during
24	which returns will be accepted.
25	* * *
26	§321. Imposition of tax
27	* * *
28	P. Notwithstanding any other provision of law to the contrary, including but
29	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,

1	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
2	levied pursuant to the provisions of this Section, except for the retail sale, use,
3	consumption, distribution, or storage for use or consumption of the following:
4	* * *
5	(114) Purchases of tangible personal property pursuant to the sales tax
6	holiday as provided for in R.S. 47:305.74.
7	* * *
8	§321.1. Imposition of tax
9	* * *
10	I. Notwithstanding any other provision of law to the contrary, including but
11	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
12	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
13	levied pursuant to the provisions of this Section, except for the retail sale, use,
14	consumption, distribution, or storage for use or consumption of the following:
15	* * *
16	(114) Purchases of tangible personal property pursuant to the sales tax
17	holiday as provided for in R.S. 47:305.74.
18	* * *
19	§331. Imposition of tax
20	* * *
21	V. Notwithstanding any other provision of law to the contrary, including but
22	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
23	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
24	levied pursuant to the provisions of this Section, except for the retail sale, use,
25	consumption, distribution, or storage for use or consumption of the following:
26	* * *
27	(114) Purchases of tangible personal property pursuant to the sales tax
28	holiday as provided for in R.S. 47:305.74.
29	* * *

- 1 Section 2. This Act shall become effective upon signature by the governor or, if not
- 2 signed by the governor, upon expiration of the time for bills to become law without signature
- 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
- 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
- 5 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 26 Original

2020 Second Extraordinary Session

Schexnayder

Abstract: Provides for a state sales tax holiday on the first \$2,500 of the sales price of consumer purchases of tangible personal property that occur on Friday, Nov. 20, 2020, and Saturday, Nov. 21, 2020, in order to provide tax relief from Hurricane Laura and the COVID-19 pandemic, and authorizes political subdivisions to establish a sales tax holiday during the same time period.

<u>Present law</u> imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property 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%

<u>Proposed law</u> authorizes a state sales and use tax exemption (sales tax holiday) on the first \$2,500 of the sales price of any consumer purchases of tangible personal property that occur on Friday, Nov. 20, 2020, and Saturday, Nov. 21, 2020, in order to provide tax relief for citizens recovering from Hurricane Laura and the COVID-19 pandemic.

<u>Proposed law</u> authorizes the governing authority of a political subdivision to establish, by ordinance or resolution adopted prior to Nov. 6, 2020, a sales tax holiday for sales and use taxes levied by the political subdivision during the same time period as the state sales tax holiday.

<u>Proposed law</u> defines "consumer purchases" as purchases of items of tangible personal property other than vehicles subject to license and title but excludes purchases of meals furnished for consumption on the premises where purchased, including to-go orders.

<u>Proposed law</u> sets forth requirements for sales in order for the exemption to apply and terms and conditions for "rain checks", items bought on "layaway", and returns.

<u>Present law</u> suspends numerous exemptions from the four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025; however, some exemptions are specifically given effectiveness.

<u>Proposed law</u> changes <u>present law</u> by adding the sales and use tax holiday in <u>proposed law</u> to the list of exemptions that are effective through June 30, 2025.

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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

(Adds R.S. 47:302(BB)(113), 305.74, 321(P)(114), 321.1(I)(114), and 331(V)(114))