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## DIGEST

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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.

Present law 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%

Proposed law 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.

Proposed law 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.

Proposed law 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.

Proposed law 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.

Present law 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.

Proposed law changes present law by adding the sales and use tax holiday in proposed law to the list

of exemptions that are effective through June 30, 2025.

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))