2021 Regular Session

HOUSE BILL NO. 50

BY REPRESENTATIVE STEFANSKI

TAX/SALES & USE: Provides a state and local sales and use tax exclusion for certain releases or re-rentals of items of tangible personal property

1	AN ACT
2	To enact R.S. 47:301(7)(m), 302(BB)(114), 321(P)(115), 321.1(I)(115), and 331(V)(115),
3	relative to state sales and use tax; to provide for a state sales and use tax exclusion
4	for certain leases or rentals of items of tangible personal property; to provide for
5	definitions; to provide for an effective date; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 47:301(7)(m), 302(BB)(114), 321(P)(115), 321.1(I)(115), and
8	331(V)(115) are 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	(7)
15	* * *
16	(m)(i) For purposes of any sales, use, lease, or rental tax, the term "lease or
17	rental" shall not mean or include the lease or rental of any item of tangible personal
18	property by a short-term equipment rental dealer for the purpose of re-lease or re-
19	rental.

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

1	(ii) For purposes of this Subparagraph, "short-term equipment rental dealer"
2	shall mean a person or entity whose principal business is the short-term rental of
3	tangible personal property classified under the code numbers 532412 and 532310 of
4	the North American Industry Classification System published by the United States
5	Bureau of the Census.
6	(iii) For purposes of this Subparagraph, "short-term rental" shall mean the
7	rental of an item of tangible personal property for a period of less than three hundred
8	sixty-five days, for an undefined period, or under an open-ended agreement.
9	* * *
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	(114) Leases or rentals by a short-term equipment rental dealer for the
19	purpose of re-lease or re-rental as provided in R.S. 47:301(7)(m).
20	* * *
21	§321. Imposition of tax
22	* * *
23	P. Notwithstanding any other provision of law to the contrary, including but
24	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
25	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
26	levied pursuant to the provisions of this Section, except for the retail sale, use,
27	consumption, distribution, or storage for use or consumption of the following:
28	* * *

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1	(115) Leases or rentals by a short-term equipment rental dealer for the
2	purpose of re-lease or re-rental as provided in R.S. 47:301(7)(m).
3	* * *
4	§321.1. Imposition of tax
5	* * *
6	I. Notwithstanding any other provision of law to the contrary, including but
7	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
8	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
9	levied pursuant to the provisions of this Section, except for the retail sale, use,
10	consumption, distribution, or storage for use or consumption of the following:
11	* * *
12	(115) Leases or rentals by a short-term equipment rental dealer for the
13	purpose of re-lease or re-rental as provided in R.S. 47:301(7)(m).
14	* * *
15	§331. Imposition of tax
16	* * *
17	V. Notwithstanding any other provision of law to the contrary, including but
18	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
19	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
20	levied pursuant to the provisions of this Section, except for the retail sale, use,
21	consumption, distribution, or storage for use or consumption of the following:
22	* * *
23	(115) Leases or rentals by a short-term equipment rental dealer for the
24	purpose of re-lease or re-rental as provided in R.S. 47:301(7)(m).
25	* * *
26	Section 2. This Act shall become effective October 1, 2021.

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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 50 Engrossed	2021 Regular Session	Stefanski
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Abstract: Establishes a state and local sales and use tax exclusion for the lease or rental of items of tangible personal property by a short-term equipment rental dealer for the purpose of re-lease or re-rental.

<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%

<u>Present law</u> imposes a statewide sales and use tax on the sale, use, lease, or rental of tangible personal property at a rate of .03%.

<u>Proposed law</u> establishes an exclusion from state and local sales and use tax for the lease or rental of any item of tangible personal property by a short-term equipment rental dealer for the purpose of re-lease or re-rental.

<u>Proposed law</u> defines, for purposes of the exclusion in <u>proposed law</u>, "short-term equipment rental dealer" as a person or entity whose principal business is the short-term rental of tangible personal property classified under code numbers 532412 and 532310 of the North American Industry Classification System, published by the U. S. Bureau of Census.

<u>Proposed law</u> further defines "short-term rental" as the rental of tangible personal property for a period of less than 365 days, for an undefined period, or under an open-ended agreement.

Effective Oct. 1, 2021.

(Adds R.S. 47:301(7)(m), 302(BB)(114), 321(P)(115), 321.1(I)(115), and 331(V)(115))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:

- 1. Change the type of transactions the exclusion applies to <u>from</u> re-leases or rerentals made by a short-term equipment rental dealer <u>to</u> leases or rentals by a short-term equipment rental dealer for the purpose of re-lease or re-rental.
- 2. Change effectiveness <u>from</u> signature of the governor <u>to</u> Oct. 1, 2021.
- 3. Make technical changes.