HLS 17RS-1373 ORIGINAL

2017 Regular Session

HOUSE BILL NO. 652

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BY REPRESENTATIVE BROADWATER

TAX/SALES-USE, STATE: Reduces the state sales and use tax rate and provides with respect to the base of the tax

AN ACT

To amend and reenact R.S. 47:302(X)(introductory paragraph), 321(L)(introductory 2 3 paragraph), and 331(A) through (C) and (S)(introductory paragraph) and to repeal 4 R.S. 47:302(X)(1) through (32) and (AA), 321(L)(1) through (31) and (O), and 5 331(S)(1) through (32), relative to state sales and use taxes; to reduce the state sales 6 and use tax rate; to provide with respect to exclusions and exemptions applicable to 7 the state sales and use tax; to provide for effectiveness; and to provide for related 8 matters. 9 Be it enacted by the Legislature of Louisiana: 10 Section 1. R.S. 47:302(X)(introductory paragraph), 321(L)(introductory paragraph), 11 and 331(A) through (C) and (S)(introductory paragraph) are hereby amended and reenacted 12 to read as follows: §302. Imposition of tax 13 14 15 X. Notwithstanding any other provision of law to the contrary, including but 16 not limited to any contrary provisions of this Chapter, for the period April 1, 2016 17 through beginning July 1, 2018, there shall be no exclusions and or exemptions to 18 the tax levied pursuant to the provisions of this Section except for those exemptions 19 and exclusions for sales or purchases of the following items and for those items

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1	enumerated in Subsection AA of this Section: established in the Louisiana
2	Constitution.
3	* * *
4	§321. Imposition of tax
5	* * *
6	L. Notwithstanding any other provision of law to the contrary, including but
7	not limited to any contrary provisions of this Chapter, for the period April 1, 2016
8	through July 1, 2016, the following exclusions and exemptions to the tax levied
9	pursuant to the provisions of this Section shall be the exclusive list of allowable
10	exemptions and exclusions. beginning July 1, 2018, there shall be no exclusions or
11	exemptions to the tax levied pursuant to the provisions of this Section except for
12	those exemptions established in the Louisiana Constitution.
13	* * *
14	§331. Imposition of tax
15	A. In addition to the tax levied by R.S. 47:302(A) and collected under the
16	provisions of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes
17	of 1950, there is hereby levied an additional tax upon the sale at retail, the use, the
18	consumption, the distribution, and the storage for use or consumption in this state of
19	each item or article of tangible personal property, as defined in Chapter 2 of Subtitle
20	II of Title 47 of the Louisiana Revised Statutes of 1950; the levy of said tax to be as
21	follows:
22	(1) At the rate of ninety-seven seventy-two one hundredths of one percentum
23	of the sales price of each item or article of tangible personal property when sold at
24	retail in this state, the tax to be computed on gross sales for the purpose of remitting
25	the amount of tax to the state, and to include each and every retail sale.
26	(2) At the rate of ninety-seven seventy-two one hundredths of one percentum
27	of the cost price of each item or article of tangible personal property when the same
28	is not sold but is used, consumed, distributed, or stored for use or consumption in this
29	state, provided that there shall be no duplication of the tax.

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1	B. In addition to the tax levied by R.S. 47:302(B) and collected under the
2	provisions of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes
3	of 1950, there is hereby levied a tax upon the lease or rental within this state of each
4	item or article of tangible personal property, as defined by said Chapter 2 of Subtitle
5	II of Title 47 of the Louisiana Revised Statutes of 1950; the levy of said tax to be as
6	follows:
7	(1) At the rate of ninety-seven seventy-two one hundredths of one percentum
8	of the gross proceeds derived from the lease or rental of tangible personal property,
9	as defined in Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes
10	of 1950, where the lease or rental of such property is in an established business, or
11	part of an established business, or the same is incidental or germane to the business.
12	(2) At the rate of ninety-seven seventy-two one hundredths of one percentum
13	of the monthly lease or rental price paid by a lessee or rentee, or contracted or agreed
14	to be paid by a lessee or rentee to the owner of the tangible personal property.
15	C. In addition to the tax levied on sales of services by R.S. 47:302(C) and
16	collected under the provisions of Chapter 2 of Subtitle II of this Title, there is hereby
17	levied a tax upon all sales of services in this state, as defined by Chapter 2 of Subtitle
18	II of this Title, at the rate of ninety-seven seventy-two one hundredths of one percent
19	of the amounts paid or charged for such services. The tax levied by this Section shall
20	not apply to the furnishing of interstate telecommunications services or international
21	telecommunications services, as both of those terms are defined in Chapter 2 of
22	Subtitle II of this Title.
23	* * *
24	S. Notwithstanding any other provision of law to the contrary, including but
25	not limited to any contrary provisions of this Chapter, for the period April 1, 2016
26	through July 1, 2016, the following exclusions and exemptions to the tax levied

pursuant to the provisions of this Section shall be the exclusive list of allowable

exemptions and exclusions. beginning July 1, 2018, there shall be no exclusions or

- 1 exemptions to the tax levied pursuant to the provisions of this Section except for
- 2 those exemptions established in the Louisiana Constitution.

3 * * *

- 4 Section 2. R.S. 47:302(X)(1) through (32) and (AA), 321(L)(1) through (31) and
- 5 (O), and 331(S)(1) through (32) is hereby repealed in their entirety.
 - Section 3. 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 652 Original

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2017 Regular Session

Broadwater

Abstract: Reduces the state sales tax rate <u>from 4% to 3.75%</u> on July 1, 2018, and provides with respect to exclusions and exemptions applicable to state sales and use taxes.

<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:

R.S. 47:302 - 2% tax

R.S. 47:321 - 1% tax

R.S. 47:321.1 - 1% tax

R.S. 47:331 - 0.97% tax

R.S. 51:1286 - .03% tax (LA Tourism and Promotion District)

<u>Present law</u> provides for exemptions and exclusions to state sales and use taxes. Further, <u>present law</u> provides for the applicability and effectiveness of certain exclusions and exemptions from the taxes imposed under R.S. 47:302, 321, and 321.1 for the time between July 1, 2016, and June 30, 2018.

<u>Present law</u> sunsets the 1% state sales and use tax levied under R.S. 47:321.1 on June 30, 2018.

<u>Proposed law</u> retains <u>present law</u> concerning the termination of the 1% tax imposed under R.S. 47:321.1.

Proposed law reduces the rate of the tax levied under R.S. 47:331 from .97% to .72%.

<u>Proposed law</u> provides that there shall be no exclusions or exemptions applicable to any state sales and use tax, except for those exemptions established in the La. Constitution.

Effective July 1, 2018.

(Amends R.S. 47:302(X)(intro. para.), 321(L)(intro. para.), and 331(A)-(C) and (S)(intro. para.); Repeals R.S. 47:302(X)(1)-(32) and (AA), 321(L)(1)-(31) and (O), and 331(S)(1)-32))

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