

2017 Regular Session

HOUSE BILL NO. 652

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

1 AN ACT

2 To amend and reenact R.S. 47:302(X)(introductory paragraph), 321(L)(introductory
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:

13 §302. Imposition of tax

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~~ 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~~

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.

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.

6 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

2017 Regular Session

Broadwater

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

Present law 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)

Present law provides for exemptions and exclusions to state sales and use taxes. Further, present law 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.

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

Proposed law retains present law 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%.

Proposed law 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))