

GREEN SHEET REDIGEST

HB 60

2019 Regular Session

Jay Morris

TAX/SALES-USE-EXEMPT: Provides for the effectiveness of certain sales and use tax holidays

DIGEST

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%

Present law provides for a variety of exemptions and exclusions applicable to state sales and use taxes.

Present law authorizes an annual state sales tax holiday for hurricane-preparedness items or supplies, for the first \$1,500 of the sales price of purchases of hurricane-preparedness items as described in the statute, occurring on the last Saturday and Sunday of May.

Present law authorizes the Annual La. Sales Tax Holiday for state sales and use taxes for the first \$2,500 of the sales price of consumer purchases of tangible personal property occurring on the first consecutive Friday and Saturday in August.

Present law authorizes an annual state and local sales tax holiday, known as the Annual La. Second Amendment Weekend Holiday, for the cost price of consumer purchases of firearms, ammunition, and hunting supplies occurring on the first Friday through Sunday in September.

Proposed law adds the hurricane-preparedness holiday and Annual La. Sales Tax Holiday to the list of local sales tax exemptions, providing a state and local sales tax exemption for eligible purchases for all three sales tax holidays.

Proposed law moves all three holidays to the last consecutive Saturday and Sunday in July.

Proposed law provides that all three holidays will apply to the first \$2,500 of the purchase price of any eligible items.

Proposed law provides that consumer purchases eligible for the three holidays do not include items not purchased from a physical retail location in the state.

Proposed law provides that consumer purchases eligible for the Annual La. Sales Tax Holiday do include food for home consumption and prescription drugs.

Present law includes off-road vehicles, and vessels such as ATVs, airboats, and pirogues used for hunting purchased during the Second Amendment holiday to the list of eligible items.

Proposed law removes purchases of titled vessels and vehicles from the list of eligible items for the Second Amendment holiday.

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.

Present law suspends effectiveness of the Annual La. Sales Tax Holiday, Annual La. Second Amendment Weekend sales tax holiday, and the annual sales tax holiday weekend for

hurricane-preparedness items from all state sales and use tax levies through June 30, 2025, thereby making these items subject to state sales and use tax.

Proposed law adds the sales tax holidays to the list of applicable tax exemptions beginning Jan. 1, 2020.

Effective January 1, 2020.

(Amends R.S. 47:305.54(B), 305.58(A)(1), (2)(b), and (F), and 305.62(B)(1), (2), and (3); adds R.S. 47:302(BB)(110), 321(P)(111), 321.1(I)(111), 331(V)(111), and 337.9(D)(34)-(36))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Adds the annual sales tax holiday weekend that occurs in the first consecutive weekend in August and the annual sales and use tax holiday that occurs in the last weekend in May to the list of sales and use tax exemptions given effect through June 30, 2025.

The House Floor Amendments to the engrossed bill

1. Technical amendments.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill

1. Moves all three sales tax holidays to the last consecutive Saturday and Sunday in July.
2. Makes the per item purchase limit consistent at \$2,500 for all three holidays.
3. Applies a local sales tax exemption to all three holidays.
4. Limits applicability of Second Amendment holiday to non-titled vehicles and vessels.
5. Limits applicability of exemption to in-store purchases for all three holidays.
6. Changes effective date from signature of the governor to Jan. 1, 2020.