

2019 Regular Session

HOUSE BILL NO. 597

BY REPRESENTATIVE STEFANSKI

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

1 AN ACT

2 To enact R.S. 47:301(7)(m), 302(BB)(110), 321(P)(111), 321.1(I)(111), and 331(V)(111),  
3 relative to state and local sales and use tax; to provide for a sales and use tax  
4 exclusion for certain leases and rentals of tangible personal property; to provide for  
5 definitions; to provide for restrictions or limitations; to provide for the effectiveness  
6 of the exclusion; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:301(7)(m), 302(BB)(110), 321(P)(111), 321.1(I)(111), and  
9 331(V)(111) are hereby enacted to read as follows:

10 §301. Definitions

11 As used in this Chapter the following words, terms, and phrases have the  
12 meanings ascribed to them in this Section, unless the context clearly indicates a  
13 different meaning:

14 \* \* \*

15 (7)

16 \* \* \*

17 (m)(i) For purposes of any sales, use, lease, or rental tax levied by the state  
18 or any political subdivision of the state, the term "lease or rental" shall not mean or

1 include the lease or rental of any item of tangible personal property made by a short-  
2 term equipment rental dealer for the purpose of re-lease or re-rental.

3 (ii) For purposes of this Subparagraph, "short-term equipment rental dealer"  
4 shall mean a person or entity whose principal business is the short-term rental of  
5 tangible personal property classified under code numbers 532412 and 532310 of the  
6 North American Industry Classification System, published by the United States  
7 Bureau of the Census.

8 (iii) For purposes of this Subparagraph, "short-term rental" shall mean the  
9 rental of an item of tangible personal property for a period of less than three hundred  
10 sixty-five days, for an undefined period, or under an open-ended agreement.

11 \* \* \*

12 §302. Imposition of tax

13 \* \* \*

14 BB. Notwithstanding any other provision of law to the contrary, including  
15 but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
16 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
17 levied pursuant to the provisions of this Section, except for the retail sale, use,  
18 consumption, distribution, or storage for use or consumption of the following:

19 \* \* \*

20 (110) Lease or rental of tangible personal property made by a short-term  
21 equipment rental dealer for the purpose of re-lease or re-rental as provided in R.S.  
22 47:301(7)(m).

23 \* \* \*

24 §321. Imposition of tax

25 \* \* \*

26 P. Notwithstanding any other provision of law to the contrary, including but  
27 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
28 through June 30, 2025, there shall be no exemptions and no exclusions to the tax

1           levied pursuant to the provisions of this Section, except for the retail sale, use,  
2           consumption, distribution, or storage for use or consumption of the following:

3   \*           \*           \*

4                       (111) Lease or rental of tangible personal property made by a short-term  
5                       equipment rental dealer for the purpose of re-lease or re-rental as provided in R.S.  
6                       47:301(7)(m).

7   \*           \*           \*

8           §321.1. Imposition of tax

9   \*           \*           \*

10                    I. Notwithstanding any other provision of law to the contrary, including but  
11                    not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
12                    through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
13                    levied pursuant to the provisions of this Section, except for the retail sale, use,  
14                    consumption, distribution, or storage for use or consumption of the following:

15    \*           \*           \*

16                       (111) Lease or rental of tangible personal property made by a short-term  
17                       equipment rental dealer for the purpose of re-lease or re-rental as provided in R.S.  
18                       47:301(7)(m).

19    \*           \*           \*

20           §331. Imposition of tax

21    \*           \*           \*

22                    V. Notwithstanding any other provision of law to the contrary, including but  
23                    not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
24                    through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
25                    levied pursuant to the provisions of this Section, except for the retail sale, use,  
26                    consumption, distribution, or storage for use or consumption of the following:

27    \*           \*           \*

1           (111) Lease or rental of tangible personal property made by a short-term  
2           equipment rental dealer for the purpose of re-lease or re-rental as provided in R.S.  
3           47:301(7)(m).

4   \*       \*       \*

5           Section 2. This Act shall become effective upon signature by the governor or, if not  
6 signed by the governor, upon expiration of the time for bills to become law without signature  
7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
8 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
9 effective on the day following such approval.

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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 597 Reengrossed

2019 Regular Session

Stefanski

**Abstract:** Establishes a state and local sales and use tax exclusion for the re-lease or re-rental of items of tangible personal property made by a short-term equipment rental dealer.

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 that state and local sales and use tax apply to the re-lease or re-rental of items of tangible personal property made by a short-term equipment rental dealer.

Present law suspends numerous exclusions and exemptions from the four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025.

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

Proposed law defines, for purposes of the exclusion in proposed law, a "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 (NAICS), published by the U. S. Bureau of Census.

Proposed law further defines a "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.

Proposed law changes present law by adding the sales and use tax exclusion for the re-lease or re-rental of items of tangible personal property as established in proposed law to the list of exclusions and exemptions that are effective through June 30, 2025.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:301(7)(m), 302(BB)(110), 321(P)(111), 321.1(I)(111), and 331(V)(111))