

2020 First Extraordinary Session

HOUSE BILL NO. 69

BY REPRESENTATIVE DESHOTEL

TAX/SALES-USE-EXEMPT: To provide for a sales and use tax exemption on the sale of certain fiber-optic cables (Item #31)

1 AN ACT

2 To enact R.S. 47:302(BB)(113), 305.75, 321(P)(114), 321.1(I)(114), 331(V)(114), and
3 337.9(D)(35), relative to sales and use tax exemptions; to provide for a sales and use
4 tax exemption for certain fiber-optic cables; to provide for limitations and
5 conditions; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:302(BB)(113), 305.75, 321(P)(114), 321.1(I)(114), 331(V)(114),
8 and 337.9(D)(35) are hereby enacted to read as follows:

9 §302. Imposition of tax

10 * * *

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

16 * * *

17 (113) Sales of fiber-optic cables to broadband internet service providers as
18 provided in R.S. 47:305.75.

19 * * *

1 §331. Imposition of tax

2 * * *

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

8 * * *

9 (114) Sales of fiber-optic cables to broadband internet service providers as
10 provided in R.S. 47:305.75.

11 * * *

12 §337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other
13 exemptions applicable

14 * * *

15 D.

16 * * *

17 (35) R.S. 47:305.75, "key words": fiber-optic cables purchased by a
18 broadband internet service provider.

19 * * *

20 Section 2. This Act shall become effective on July 1, 2020.

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 69 Engrossed

2020 First Extraordinary Session

Deshotel

Abstract: Creates a state and local sales and use tax exemption on the sale of fiber-optic cables when the fiber-optic cables are purchased by a broadband internet service provider and intended to be attached to a utility pole, building, or other structure or installed underground and places the exemption on the exclusive lists of current state and mandatory local sales and use tax exemptions.

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 an exclusive list of current effective state sales and use tax exemptions and suspends numerous exemptions from four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025.

Present constitution provides that the governing authority of any local governmental subdivision or school board may levy and collect a sales and use tax on tangible personal property.

Present law provides for a list of mandatory local sales and use tax exemptions and optional local sales and use tax exemptions.

Proposed law retains present law. Proposed law creates a state and mandatory local sales and use tax exemption on the sale of fiber-optic cables when the fiber-optic cables are purchased by a broadband internet service provider and intended to be attached to a utility pole, building, or other structure or installed underground.

Proposed law adds the fiber-optic cable exemption to the exclusive list of state sales and use tax exemptions that are effective through June 30, 2025.

Proposed law adds the fiber-optic exemption to the list of mandatory local sales and use tax exemptions.

Effective July 1, 2020.

(Adds R.S. 47:302(BB)(113), 305.75, 321(P)(114), 321.1(I)(114), 331(V)(114), and 337.9(D)(35))

Summary of Amendments Adopted by House

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

1. Add the fiber-optic sales and use tax exemption to the present law list of mandatory local sales and use tax exemptions.