SLS 21RS-278 ORIGINAL

2021 Regular Session

SENATE BILL NO. 77

BY SENATOR MIZELL

TAX/SALES. Exempts purchases of certain school buses from sales and use tax. (7/1/21)

1	AN ACT
2	To amend and reenact R.S. 47:301(10)(i) and to enact R.S. 47:302(BB)(114), 321(P)(115),
3	321.1(I)(115), and 331(V)(115), relative to sales and use tax exemptions; to exempt
4	purchases of certain school buses to be used by elementary and secondary schools
5	from sales and use tax; to provide for effectiveness; and to provide for related
6	matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 47:301(10)(i) is hereby amended and reenacted and R.S.
9	47:302(BB)(114), 321(P)(115), 321.1(I)(115), and 331(V)(115) are enacted to read as
10	follows:
11	§301. Definitions
12	As used in this Chapter the following words, terms, and phrases have the
13	meanings ascribed to them in this Section, unless the context clearly indicates a
14	different meaning:
15	* * *
16	(10) * * *
17	(i) The term "sale at retail" does not include the purchase of a new school bus

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1	or a used school bus which that is less than five years old by an independent
2	<del>operator,</del> when such the bus is to be used exclusively in a public school system. for
3	public elementary or secondary schools, public elementary or secondary
4	laboratory schools that are operated by a public college or university, or
5	nonpublic elementary or secondary schools approved by the State Board of
6	Elementary and Secondary Education. As used in this Subparagraph, "school
7	bus" includes only a bus that meets or exceeds the safety specifications for
8	school buses established by the state Department of Education, is painted
9	national school bus chrome in the shade designated by the State Board of
10	Elementary and Secondary Education, and is purchased from a dealer licensed
11	under the provisions of R.S. 32:791 or 1254. This exclusion shall apply to all sales
12	and use taxes levied by any local political subdivision.
13	* * *
14	§302. Imposition of tax
15	* * *
16	BB. Notwithstanding any other provision of law to the contrary, including but
17	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
18	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
19	levied pursuant to the provisions of this Section, except for the retail sale, use,
20	consumption, distribution, or storage for use or consumption of the following:
21	* * *
22	(114) Purchases of school buses that are new or less than five years old
23	as provided in R.S. 47:301(1)(i).
24	* * *
25	§321. Imposition of tax
26	* * *
27	P. Notwithstanding any other provision of law to the contrary, including but

not limited to any contrary provisions of this Chapter, beginning July 1, 2018,

through June 30, 2025, there shall be no exemptions and no exclusions to the tax

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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	(115) Purchases of school buses that are new or less than five years old
5	as provided in R.S. 47:301(1)(i).
6	* * *
7	§321.1. Imposition of tax
8	* * *
9	I. Notwithstanding any other provision of law to the contrary, including but
10	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
11	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
12	levied pursuant to the provisions of this Section, except for the retail sale, use,
13	consumption, distribution, or storage for use or consumption of the following:
14	* * *
15	(115) Purchases of school buses that are new or less than five years old
16	as provided in R.S. 47:301(1)(i).
17	* * *
18	§331. Imposition of tax
19	* * *
20	V. Notwithstanding any other provision of law to the contrary, including but
21	not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
22	through June 30, 2025, there shall be no exemptions and no exclusions to the tax
23	levied pursuant to the provisions of this Section, except for the retail sale, use,
24	consumption, distribution, or storage for use or consumption of the following:
25	* * *
26	(115) Purchases of school buses that are new or less than five years old
27	as provided in R.S. 47:301(1)(i).
28	* * *
29	Section 2. This Act shall become effective on July 1, 2021.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

## DIGEST

SB 77 Original

2021 Regular Session

Mizell

<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 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%

<u>Present law</u> excludes purchases of new school buses or used school buses that are less than five years old that are purchased by an independent operator and used exclusively in public school systems from state and local sales and use tax.

<u>Proposed law</u> modifies <u>present law</u> exemption to apply to all purchases of new school buses or used school buses that are less than five years old to buses that will be used exclusively for public elementary or secondary schools, public elementary or secondary laboratory schools that are operated by a public college or university, or nonpublic elementary or secondary schools approved by BESE.

<u>Proposed law</u> provides that to qualify for this exemption a school bus must meet or exceed the safety specifications for school buses established by the state DOE, must be painted national school bus chrome in the shade designated by BESE, and must be purchased from a licensed new or used vehicle dealer.

<u>Present law</u> suspends numerous exemptions and exclusion from the four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025, including the exclusion for purchases of new school buses or used school buses that are less than five years old.

<u>Proposed law</u> changes <u>present law</u> by adding the exclusion for purchases of new school buses or used school buses that are less than five years old to the list of state sales and use tax exemptions and exclusions that are effective through June 30, 2025.

Effective July 1, 2021.

(Amends R.S. 47:301(10)(i); adds R.S. 47:302(BB)(114), 321(P)(115), 321.1(I)(115), and 331(V)(115))