

2025 Regular Session

HOUSE BILL NO. 490

BY REPRESENTATIVE MCFARLAND

TAX/SALES & USE: Provides for the sales and use tax exemption for certain public entities

1 AN ACT

2 To amend and reenact R.S. 47:305.7(A)(1), relative to sales and use tax; to provide for sales
3 and use tax exemptions for certain governments; to authorize purchases made by
4 certain contractors on public contracts to qualify for the exemption; to provide for
5 an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:305.7(A)(1) is hereby amended and reenacted to read as follows:

8 §305.7. Exclusions and exemptions; intergovernmental; government

9 A.(1)(a) This state, any parish, city and parish, municipality, district, or other
10 political subdivision thereof, or any agency, board, commission, or instrumentality
11 of this state or its political subdivisions shall be exempt from sales and use taxes
12 imposed by any taxing authority. Upon request by any political subdivision for an
13 exemption identification number, the Department of Revenue shall issue such
14 number.

15 (b) The exemption provided for in Subparagraph (a) of this Paragraph shall
16 extend to purchases made by general contractors or their subcontractors related to
17 work performed by such contractors pursuant to construction contracts for public
18 projects for state and local governments or to any agency, board, commission or
19 instrumentality of the state or its political subdivisions.

20 * * *

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 490 Original

2025 Regular Session

McFarland

Abstract: Extends the state and local sales tax exemption to purchases made by general contractors or their subcontractors related to work performed by such contractors pursuant to construction contracts on public projects for state and local governments or to state or local government agencies, boards, or commissions.

Present law exempts the state, parishes, cities, municipalities, and other political subdivisions, and agencies, boards, and commissions, from sales and use taxes imposed by any taxing authority.

Proposed law retains present law but extends the state and local sales tax exemption to purchases made by general contractors or their subcontractors related to work performed by such contractors pursuant to construction contracts for public projects for state and local governments or to any agency, board, commission or instrumentality of the state or its political subdivisions.

(Amends R.S. 47:305.7(A)(1))