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## DIGEST

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HB 626 Original

2025 Regular Session

Wright

**Abstract:** Extends the state and local sales and use tax exemption for ships and ships' supplies to certain digital products, prewritten computer access services, and information services.

Present law exempts the following sales from state and local sales and use tax:

- (1) Materials, equipment, and machinery that enter into and become component parts of ships, vessels, or barges, including commercial fishing vessels, drilling ships, or drilling barges of more than 50 tons load displacement (vessels) that are built in La.
- (2) The gross proceeds received from the sale of vessels when sold by the builder.
- (3) Materials and supplies purchased by the owners or operators of vessels operating exclusively in foreign or interstate coastwise commerce, if the materials are loaded onto the vessel for use or consumption in the maintenance and operation of the vessel. This exemption includes repair services and laundry services performed on vessels operating exclusively in foreign or interstate coastwise commerce.

Proposed law retains present law but changes references from "materials and supplies" to "tangible personal property" and extends the exemption to digital products, including prewritten computer software access services or information services provided to and received by the owners or operators of vessels when these items are used in the course of the maintenance or operation of the vessels.

Present law defines a "component part" as any item or article of tangible personal property incorporated into, attached to, or placed on a vessel during either the construction or repair of the vessel. Proposed law adds digital products. Further extends the definition of "component part" to items received on a vessel during the construction or repair of the vessel.

Effective July 1, 2025.

(Amends R.S. 47:305.1(A), (B), and (C)(3)(intro. para.) and (a))