

2025 Regular Session

HOUSE BILL NO. 578

BY REPRESENTATIVE EMERSON

AN ACT

To amend and reenact R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F), 301.3(7)(a) and (10)(a), 305.1(A), (B), (C)(1)(introductory paragraph) and (c) and (3)(a), 305.2(A)(5), 305.6(1), (5), and (6), 305.7(A)(1) and (2), 305.12(D), 305.33, 305.36(A), (B), and (C)(1), 305.50(A)(2)(b)(i), 305.75(A), 321(A), 321.1(A), (B), and (C)(2), 331(A) and (B), and 337.10(A) and (D) and R.S. 51:1286(A), to enact R.S. 33:9038.34(P), R.S. 39:100.118, and R.S. 47:301.3(11), 301.4(C)(4), 305(E)(4) and (L), 305.1(C)(6), 305.12(E), 305.14, 305.21, 305.22, 305.23, 305.64, 337.4(B)(4), and 337.10(E), and to repeal R.S. 47:301.6(B) and (C), 305.2(A)(4), and 305.36(E), relative to sales and use tax; to provide with respect to exemptions from sales and use taxes levied by taxing authorities; to exempt certain services from sales and use tax; to provide for the exemption for schools and educational materials; to provide for the exemption for certain intergovernmental transactions; to provide for exemptions for certain nonprofit organizations; to provide for the exemption for software and digital products for certain healthcare facilities; to provide for an exemption for certain sickle cell disease organizations; to provide for the exemption for transactions involving certain motor vehicles; to provide for an exemption for qualifying radiation therapy treatment centers; to provide for the exemption for certain ships and ships' supplies; to provide for sales and use tax exemptions for certain governments; to authorize purchases made by certain contractors on public contracts to qualify for an exemption; to authorize an exemption for sales taxes on certain boats; to establish the initial baseline collection rate for a certain sales tax area established by the legislature; to provide with respect to the levies of certain taxes; to provide for taxes levied on certain telecommunication and ancillary services; to provide for the amount of sales and use

1 taxes dedicated to tourism; to provide for definitions; to provide for limitations and
2 requirements; to provide for local optional exemptions; to authorize the refund of
3 certain sales and use taxes under certain circumstances; to provide for the
4 establishment of the Local Revenue Fund; to provide for the transfer, deposit, and
5 use of monies in the fund; to provide for applicability; to provide for effectiveness;
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 33:9038.34(P) is hereby enacted to read as follows:

9 §9038.34. Sales tax increment financing

10 * * *

11 P. Notwithstanding the provisions of this Section, the initial annual baseline
12 collection rate for the sales tax area of a medical and bioscience district first
13 established by the legislature of the State of Louisiana during the 2005 Regular
14 Session of the legislature shall be one million two hundred seventy-two thousand
15 three hundred ninety-four dollars.

16 Section 2. R.S. 39:100.118 is hereby enacted to read as follows:

17 §100.118. Local Revenue Fund

18 A. There shall be established in the state treasury, as a special fund, the
19 Local Revenue Fund, hereinafter referred to in this Section as the "fund". After
20 allocation of money to the Bond Security and Redemption Fund as provided for in
21 Article VII of the Constitution of Louisiana, the treasurer shall deposit in and credit
22 to the Local Revenue Fund the avails of the taxes imposed by R.S. 47:301.1(F) and
23 any other revenue dedicated to the fund by the legislature. The legislature may
24 appropriate additional sums to the fund.

25 B. The monies in the fund shall be used solely for distribution to ad valorem
26 tax recipient bodies within a parish to offset losses attributable to business inventory
27 exemptions to the ad valorem tax granted by a parish.

28 C. Monies in the fund shall be invested in the same manner as monies in the
29 state general fund. Interest earned on the investment of monies in the fund shall be
30 deposited in and credited to the fund.

Section 3. R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F), 301.3(7)(a) and (10)(a), 305.2(A)(5), 305.6(1) and (5), 305.7(A)(2), 305.12(D), 305.33, 305.36(A), (B), and (C)(1), 305.50(A)(2)(b)(i), 305.75(A), 321(A), 321.1(A), (B), and (C)(2), 331(A) and (B), and 337.10(A) and (D) are hereby amended and reenacted and R.S. 47:301.3(11), 301.4(C)(4), 305.12(E), 337.4(B)(4), and 337.10(E) are hereby enacted to read as follows:

§301. Definitions

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

* * *

(3)(a) "Cost price" means the actual cost of the articles of tangible personal property or digital products without any deductions therefrom on account of the cost of materials used, labor, or service cost, including service costs for installation, and transportation charges, or any other expenses whatsoever, or the reasonable market value of the tangible personal property or digital product at the time it becomes susceptible to the use tax, whichever is less. Cost price shall not include the amount charged for labor or services rendered in installing, applying, remodeling, or repairing property sold if such cost is separately billed to the customer at the time of installation.

* * *

(4) "Dealer" includes every person who manufactures or produces tangible personal property or digital products for sale at retail, for use, or consumption, or distribution, or for storage to be used or consumed in a taxing jurisdiction. "Dealer" is further defined to mean:

* * *

(k)(i) Any person who sells for delivery into Louisiana tangible personal property, products transferred electronically, digital products, or services, and who does not have a physical presence in Louisiana, if during the previous or current calendar year the person's gross revenue for sales delivered into Louisiana has

exceeded one hundred thousand dollars from sales of tangible personal property, products transferred electronically, digital products, or services.

* * *

(10)(a) ~~Solely for the~~ For purposes of the imposition of the state sales and use tax taxes levied by any taxing authority, "retail sale" or "sale at retail" means a sale to a consumer, ~~end user~~, or to any other person for any purpose other than for resale as tangible personal property or a digital product, or ~~for the lease of automobiles in an arm's length transaction~~, and shall mean and include all transactions that the secretary, upon investigation, finds to be in lieu of sales; provided that sales for resale or for lease of automobiles in an arm's length transaction must be made in strict compliance with the rules and regulations. Any dealer making a sale for resale or for the lease of automobiles, which is not in strict compliance with the rules and regulations, shall himself be liable for and pay the tax. resale of a service provided for in R.S. 47:301.3 provided the retail sale of the service is subject to sales tax in this state and shall mean and include all transactions that the secretary, upon investigation, finds to be in lieu of sales; provided that sales for resale shall be made in strict compliance with rules and regulations. Any dealer making a sale for resale which is not in strict compliance with the rules and regulations shall be liable for and pay the tax. A local collector shall accept a resale certificate issued by the Department of Revenue, provided the taxpayer includes the parish of its principal place of business and local sales tax account number on the state certificate. However, in the case of an intra-parish transaction from dealer to dealer, the collector may require that the local exemption certificate be used in lieu of the state certificate. The department shall accommodate the inclusion of this information on its resale certificate for these purposes.

(b) The term "sale at retail" does not include consuming any digital product in producing for sale a new product or taxable service, where the digital product becomes an ingredient or component of the new product or taxable service. A digital code becomes an ingredient or component of a new product or taxable service if the

1 digital product, through the use of the digital code, becomes an ingredient or
2 component of the new product or taxable service.

3 (c) With respect to digital products, the term "sale at retail" does not include
4 making any digital product available free of charge for the use or enjoyment of
5 others. For purposes of this Subparagraph, "free of charge" means that the recipient
6 of the digital product is not required to provide anything of significant value in
7 exchange for the product. A transfer is not free of charge if the digital product is
8 bundled or combined with other products or services subject to sales or use tax
9 regardless of whether such items are separately stated and invoiced.

10 * * *

11 (13)(a) "Sales price" means the total amount for which tangible personal
12 property is or digital products are sold, less the market value of any article traded in
13 including any services, except services for financing which shall not exceed the legal
14 interest rate and a service charge not to exceed six percent of the amount financed,
15 and losses, that are a part of the sale valued in money, whether paid in money or
16 otherwise, and includes the cost of materials used, labor or service costs, including
17 service costs for installation, and transportation charges; provided that cash discounts
18 allowed and taken on sales shall not be included. Sales price shall not include the
19 amount charged for labor or services rendered in installing, applying, remodeling,
20 or repairing property sold if that charge is separately billed to the customer at the
21 time of the sale.

22 * * *

23 (16)

24 * * *

25 (d) The term "tangible personal property" shall not include work products
26 which are written on paper, stored on magnetic or optical media, or transmitted by
27 ~~electronic device~~ electronically, when such work products are created in the normal
28 course of business by any person licensed or regulated by the provisions of Title 37
29 of the Louisiana Revised Statutes of 1950, unless such work products are duplicated
30 without modification for sale to multiple purchasers. This exclusion shall not apply

1 to work products which consist of the creation, modification, updating, or licensing
2 of computer software.

3 * * *

4 (18)(a)(i) ~~Solely for~~ For purposes of the imposition of the state sales and use
5 tax levied by any taxing authority, "use" means and includes the exercise of any right
6 or power over tangible personal property or digital products incident to the
7 ownership thereof, except that it shall not include the sale at retail of those items of
8 property or products in the regular course of business ~~or the donation to a school in~~
9 ~~the state which meets the definition provided in R.S. 17:236 or to a public or~~
10 ~~recognized independent institution of higher education in the state of property~~
11 ~~previously purchased for resale in the regular course of a business. The term "use"~~
12 ~~shall not include the purchase, the importation, the consumption, the distribution, or~~
13 ~~the storage of automobiles to be leased in an arm's length transaction, nor shall the~~
14 ~~term "use" include the donation of food items to a food bank as defined in R.S.~~
15 ~~9:2799(B).~~

16 (ii) The term "use" applies to the first act within this state by which the
17 taxpayer, as a consumer, views, accesses, downloads, possesses, stores, opens,
18 manipulates, or otherwise enjoys, uses, or receives the benefits of a digital product,
19 prewritten computer access service, or information service. Use includes access and
20 use of digital products, prewritten computer access services, and information
21 services that remain in the possession of the dealer or in the possession of a third
22 party on behalf of the dealer.

23 * * *

24 (c)(i) Notwithstanding any other provision of law to the contrary, and except
25 as provided in Item (ii) of this Subparagraph, for purposes of state and political
26 subdivision sales and use tax, "use" means and includes the exercise of any right or
27 power over tangible personal property or digital products incident to the ownership
28 thereof.

29 * * *

(27) With respect to the furnishing of telecommunications and ancillary services, as used in this Chapter the following words, terms, and phrases have the meaning ascribed to them in this Paragraph, unless the context clearly indicates a different meaning:

* * *

(x) "Telecommunications service" means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. "Telecommunications service" includes the transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether the service is referred to as voice over internet protocol service or is classified by the Federal Communications Commission as an enhanced or value-added service. "Telecommunications service" does not include any of the following:

* * *

(ix) Digital products, including but not limited to software, music, video, reading materials, or ring tones.

* * *

§301.1. Telecommunications and ancillary services

* * *

F.(1) Local political subdivisions shall be prohibited from levying a sales and use tax on telecommunications services not in effect on July 1, 1990. However, the provisions of this Paragraph shall not be construed to prohibit the levy or collection of any franchise, excise, gross receipts, or similar tax or assessment by any political subdivision of the state as defined in Article VI, Section 44 of the Constitution of Louisiana.

(2) There is hereby levied an additional state sales and use tax upon all telecommunications services, cable television services, direct-to-home satellite services, video programming services, provided by cable television and satellite

1 service providers, and satellite digital audio radio services in this state, at the rate of
2 five percent of the amounts paid or charged for such services.

3 (3) The tax levied pursuant to this Subsection shall be paid in lieu of any
4 sales or use tax that would otherwise be levied and collected by a political
5 subdivision of this state.

6 (4) The taxes levied pursuant to this Subsection shall be administered and
7 collected by the secretary of the Department of Revenue. The secretary shall assess
8 an administration and collection fee, not to exceed one percent of the collections of
9 the tax, as reimbursement for the actual cost of collection of the tax.

10 (5) The tax levied in this Subsection shall be collected from the dealer, as
11 defined in this Chapter, shall be paid at the time and in the manner hereinafter
12 provided, and shall be in addition to all other taxes, whether levied in the form of
13 excise, license, or privilege taxes, and shall be in addition to taxes levied pursuant
14 to the provisions of Chapter 3 of this Subtitle.

15 (6) After allocation to the Bond Security and Redemption Fund as provided
16 in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall
17 deposit in and credit to the Local Revenue Fund the avails of the taxes collected
18 under this Subsection.

19 * * *

20 §301.3. Services

21 The sales and use tax levied by any taxing authority shall apply to the
22 following services:

23 * * *

24 (7)(a) Repairs and maintenance of tangible personal property. Repairs and
25 maintenance include but are not limited to the repair and servicing of automobiles,
26 vehicles, boats and vessels, electrical and mechanical appliances and equipment,
27 farm machinery and implements, motors, tires, batteries, engineering instruments,
28 medical and surgical instruments, machinery, mechanical tools, shop equipment,
29 furniture, rugs, ~~flooring~~, watches, clocks, jewelry, refrigerators, phones, televisions,

1 radios, shoes, including shoe shining, and office appliances and equipment. This
2 includes service calls and trip or travel charges.

3 * * *

4 (10)(a) The providing of information services. For purposes of this
5 Paragraph, information services means electronic data retrieval or research; and
6 collecting, compiling, analyzing, or furnishing of information of any kind, including
7 but not limited to general or specialized news, other current information or financial
8 information, by printed, mimeographed, electronic, or electrical transmission, or by
9 utilizing wires, cable, radio waves, microwaves, satellites, fiber optics, or any other
10 method now in existence or which may be devised; this includes delivering or
11 providing access to information through databases or subscriptions. Information
12 services include but are not limited to:

13 (i) Furnishing newsletters; tax guides; research publications; financial,
14 investment, circulation, credit, stock market, or bond rating reports; mailing lists;
15 abstracts of title; news clipping services; wire services; scouting reports; ~~surveys;~~
16 bad check lists; and broadcast rating services.

17 (ii) Subscriptions to genealogical, financial, or similar databases.

18 (iii) ~~Solely for purposes of state sales and use taxes, cable television services,~~
19 ~~direct-to-home satellite services, video programming services, and satellite digital~~
20 ~~audio radio services.~~

21 (iv) Global positioning system services including driving directions and
22 sports, news, and similar information ~~provided through satellite audio programming~~
23 ~~services.~~

24 (iv) ~~Global positioning system services including driving directions and~~
25 ~~sports, news, and similar information provided through satellite audio programming~~
26 ~~services.~~

27 * * *

28 (11) Solely for purposes of state sales and use taxes, cable television
29 services, direct-to-home satellite services, video programming services provided by

cable television and satellite service providers, and satellite digital audio radio services.

* * *

§301.4. Sales transaction sourcing rules

* * *

C. Exceptions to the general sourcing rules. The following sales are sourced as follows:

* * *

(4) Purchases of multiple listing services by real estate licensees and brokers shall be sourced to the location of the licensee's or broker's Louisiana regional real estate association office. For purposes of this Paragraph, "multiple listing services" shall mean a platform or database used by real estate licensees and brokers to share property listings that are marketed for sale, rent, or lease, and is available only to real estate licensees and brokers.

* * *

§305.2. Exemption; medical

A. The following items shall be exempt from the sales and use tax imposed by the state:

* * *

(5) The tax imposed by R.S. 47:302(A) and 321 shall not apply to the sale at retail, the use, the consumption, the distribution, and the storage of insulin, both prescription and nonprescription to be used or consumed in this state, for personal use or consumption; provided, however, that this exemption shall apply only to sales taxes imposed by the state of Louisiana and shall not apply to such taxes authorized and imposed by any school board, municipality, or other local taxing authority notwithstanding any other provision of law to the contrary, ~~specifically but not exclusively R.S. 33:2716.1.1.~~

* * *

1 §305.6. Exemptions; schools and educational materials

2 The sales and use tax imposed by taxing authorities shall not apply to:

3 (1) The purchase, lease, or rental of educational ~~Educational~~ materials or
4 equipment used for classroom instruction by approved parochial and private
5 elementary and secondary schools which comply with the court order from the Dodd
6 Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, limited to
7 books, workbooks, computers, computer software, films, videos, and audio tapes.

8 * * *

9 (5) The sale of admissions to athletic and entertainment events held for or
10 by public, parochial, and private elementary and secondary schools.

11 * * *

12 §305.7. Exclusions and exemptions; intergovernmental; government

13 A.

14 * * *

15 (2) Any ~~municipal corporation, parish, sewerage, or water district~~ private
16 ~~nonprofit company~~ that enters into a contract with a ~~private nonprofit company~~
17 municipal corporation, parish, sewerage, or water district to construct or operate a
18 sewerage or wastewater treatment facility shall be exempt from the same sales tax
19 as the municipal corporation, parish, sewerage, or water district.

20 * * *

21 §305.12. Exemptions; software and digital products; business use; healthcare use

22 * * *

23 D. The sales and use tax imposed by taxing authorities shall not apply to
24 computer software or prewritten computer software access services, information
25 services, or digital products that are used by licensed healthcare facilities and
26 providers for storing or transmitting healthcare information or for the diagnosis or
27 treatment of a medical condition.

1 E. The secretary of the Department of Revenue shall promulgate rules and
2 regulations for the implementation of the exemptions provided for in this Section.
3 The secretary shall begin the promulgation process prior to December 31, 2025.

4 * * *

5 §305.33. Exclusions and exemptions; certain sales at cultural events

6 A. The sales of tangible personal property at an event providing Louisiana
7 heritage, culture, crafts, art, food, and music which is sponsored by a domestic
8 nonprofit organization that is exempt from tax ~~under~~ pursuant to Section 501(c)(3)
9 of the Internal Revenue Code shall be exempt from sales and use taxes levied by the
10 state. The provisions of this Section shall apply only to an event which transpires
11 over a minimum of seven but not more than twelve days and has a five-year annual
12 average attendance of at least three hundred thousand over the duration of the event.
13 For purposes of determining the five-year annual average attendance, the calculation
14 shall include the total annual attendance for each of the five most recent years. The
15 provisions of this Subsection shall apply only to sales by the sponsor of the event.

16 B. Admission charges for, outside gate admissions to, or parking fees
17 associated with an event providing Louisiana heritage, culture, crafts, art, food, and
18 music which is sponsored by a domestic nonprofit organization that is exempt from
19 tax ~~under~~ pursuant to Section 501(c)(3) of the Internal Revenue Code shall be
20 exempt from sales and use taxes levied by the state. The provisions of this
21 Subsection shall apply only to an event which transpires over a minimum of seven
22 but not more than twelve days and has a five-year annual average attendance of at
23 least three hundred thousand over the duration of the event. For purposes of
24 determining the five-year annual average attendance, the calculation shall include the
25 total annual attendance for each of the five most recent years. The provisions of this
26 Subsection shall apply only to admission charges for, outside gate admissions to, or
27 parking fees associated with an event when the charges and fees are payable to or for
28 the benefit of the sponsor of the event.

1 §305.36. Exclusions and exemptions; motor vehicles

2 A. ~~Solely for purposes of the~~ The sales and use tax levied by the state, such
3 ~~tax imposed by R.S. 47:302(A), R.S. 47:321(A), and R.S. 47:331(A)~~ any taxing
4 authority shall not apply to the sale at retail, the purchase, lease, or the importation
5 of motor vehicles, trailers, or semitrailers as defined by R.S. 47:451 that will be
6 stored, used, or consumed in this state exclusively for lease or rental, provided that
7 the gross proceeds derived from the lease or rental of the property not previously
8 taxed shall be at reasonable market rates. If the secretary of the Department of
9 Revenue or a local taxing authority finds that any person who has purchased, used,
10 or imported motor vehicles, trailers, or semitrailers tax free under this Subsection has
11 subsequently leased or rented motor vehicles, trailers, or semitrailers in transactions
12 not at arms length at below market rates, the secretary shall presume that the person
13 was not entitled to claim the exemption provided herein, and the burden shall be on
14 that person to prove otherwise.

15 B. A person who has acquired or used property ~~under~~ pursuant to this
16 Section without payment of the tax ~~imposed by R.S. 47:302(A), R.S. 47:321(A), and~~
17 ~~R.S. 47:331(A)~~ shall be construed to be in the business of leasing, renting, or selling
18 such property, whether or not the lessees have the right or obligation to purchase the
19 tangible personal property or will otherwise acquire title to the property at
20 termination of the lease. Therefore, a transaction entered into that is entitled lease,
21 rental, lease-purchase, or similar name which for purposes other than state sales
22 taxation might be considered a conditional sales contract or transaction in lieu of
23 sale, shall be deemed for state sales tax purposes to be a taxable lease. The monthly
24 or other periodic payments made ~~under~~ pursuant to the agreement shall be subject
25 to the tax imposed by ~~R.S. 47:302(B), R.S. 47:321(B), and R.S. 47:331(B)~~ all taxing
26 authorities. These persons shall not be allowed to make an isolated or occasional
27 non-retail sale of the property ~~under R.S. 47:301(1) or R.S. 47:301(10)~~ pursuant to
28 R.S. 47:305(A).

29 C.(1) No person shall be entitled to purchase, use, or import motor vehicles,
30 trailers, or semitrailers, under this Section without payment of the tax imposed by

1 ~~R.S. 47:302(A), R.S. 47:321(A), and R.S. 47:331(A)~~ any taxing authority before
2 having received an exemption number or certificate from the secretary of the
3 Department of Revenue authorizing him to engage in the business of purchasing,
4 using, or importing motor vehicles.

5 * * *

6 §305.50. Exemption; vehicles used in interstate commerce; rail rolling stock;
7 railroad ties

8 A.

9 * * *

10 (2)

11 * * *

12 (b) For purposes of this Paragraph, a qualifying truck shall meet the
13 following requirements:

14 (i) Be registered in Louisiana as a Class 1 vehicle as defined in R.S. 47:462
15 and shall have a registered gross weight as defined in R.S. 47:451 of at least eighty
16 thousand pounds.

17 * * *

18 §305.75. Exemptions; feminine hygiene products and diapers

19 A. The sales and use tax imposed by any taxing authority ~~with those of the~~
20 ~~state~~ shall not apply to the purchase of feminine hygiene products, diapers, or both
21 for individual personal use.

22 * * *

23 §321. Imposition of tax

24 A. In addition to the tax levied by R.S. 47:302(A), 321.1(A), and 331(A) and
25 collected pursuant to the provisions of Chapters 2 and 2-B of this Subtitle, there is
26 hereby levied an additional tax upon the sale at retail, the use, the consumption, the
27 distribution, and the storage for use or consumption in this state of each item or
28 article of tangible personal property or digital product, as defined in Chapter 2 of this
29 Subtitle. The levy of the tax shall be as follows:

(1) At the rate of one percent of the sales price of each item or article of tangible personal property or digital product when sold at retail in this state ~~except for prepaid calling service and prepaid wireless calling service~~, the tax to be computed on gross sales for the purpose of remitting the amount of tax to the state, and to include each and every retail sale.

(2) At the rate of one percent of the cost price of each item or article of tangible personal property or digital product ~~except for prepaid calling service and prepaid wireless calling service~~ when the same is not sold but is used, consumed, distributed, or stored for use or consumption in this state, provided that there shall be no duplication of the tax.

* * *

§321.1. Imposition of tax

A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and collected ~~under~~ pursuant to the provisions of ~~Chapter~~ Chapters 2 and 2-B of this Subtitle, there is hereby levied an additional tax upon the sale at retail, the use, the consumption, the distribution, and the storage for use or consumption in this state of each item or article of tangible personal property or digital product as defined in Chapter 2 of this Subtitle. The levy of ~~said~~ the tax shall be as follows:

(1)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the rate of forty-five hundredths of one percent of the sales price of each item or article of tangible personal property or digital product when sold at retail in this state, the tax to be computed on gross sales for the purpose of remitting the amount of tax to the state, and to include each and every retail sale.

(b) Beginning January 1, 2025, through December 31, 2029, in addition to the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an additional tax of fifty-five hundredths of one percent of the sales price of each item or article of tangible personal property or digital product when sold at retail in this state, the tax to be computed on gross sales for the purpose of remitting the amount of tax to the state, and to include each and every retail sale.

1 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
2 hundredths of one percent of the sales price of each item or article of tangible
3 personal property or digital product when sold at retail in this state, the tax to be
4 computed on gross sales for the purpose of remitting the amount of tax to the state,
5 and to include each and every retail sale.

6 (2)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
7 rate of forty-five hundredths of one percent of the cost price of each item or article
8 of tangible personal property or digital product when the same is not sold but is used,
9 consumed, distributed, or stored for use or consumption in this state, provided that
10 there shall be no duplication of the tax.

11 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
12 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
13 additional tax of fifty-five hundredths of one percent of the cost price of each item
14 or article of tangible personal property or digital product when the same is not sold
15 but is used, consumed, distributed, or stored for use or consumption in this state,
16 provided that there shall be no duplication of the tax.

17 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
18 hundredths of one percent of the cost price of each item or article of tangible
19 personal property or digital product when the same is not sold but is used, consumed,
20 distributed, or stored for use or consumption in this state, provided that there shall
21 be no duplication of the tax.

22 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and
23 collected ~~under~~ pursuant to the provisions of ~~Chapter~~ Chapters 2 and 2-B of this
24 Subtitle, there is hereby levied a tax upon the lease or rental within this state of each
25 item or article of tangible personal property or digital product, as defined by Chapter
26 2 of this Subtitle; the levy of the tax to be as follows:

27 (1)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
28 rate of forty-five hundredths of one percent of the gross proceeds derived from the
29 lease or rental of tangible personal property or digital product, as defined in Chapter
30 2 of this Subtitle, where the lease or rental of such property is in an established

1 business, or part of an established business, or the same is incidental or germane to
2 the business.

3 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
4 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
5 additional tax of fifty-five hundredths of one percent of the gross proceeds derived
6 from the lease or rental of tangible personal property or digital product, as defined
7 in Chapter 2 of this Subtitle, where the lease or rental of such property is in an
8 established business, or part of an established business, or the same is incidental or
9 germane to the business.

10 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
11 hundredths of one percent of the gross proceeds derived from the lease or rental of
12 tangible personal property or digital product, as defined in Chapter 2 of this Subtitle,
13 where the lease or rental of such property is in an established business, or part of an
14 established business, or the same is incidental or germane to the business.

15 (2)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
16 rate of forty-five hundredths of one percent of the monthly lease or rental price paid
17 by a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee to the
18 owner of the tangible personal property or digital product.

19 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
20 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
21 additional tax of fifty-five hundredths of one percent of the monthly lease or rental
22 price paid by a lessee or rentee, or contracted or agreed to be paid by a lessee or
23 rentee to the owner of the tangible personal property or digital product.

24 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
25 hundredths of one percent of the monthly lease or rental price paid by a lessee or
26 rentee, or contracted or agreed to be paid by a lessee or rentee to the owner of the
27 tangible personal property or digital product.

28 C.

29 * * *

30 (2) Beginning January 1, 2025, through December 31, 2029, in addition to

1 the tax levied in Paragraph (1) of this Subsection, there is hereby levied an additional
2 tax of fifty-five hundredths of one percent ~~tax upon~~ of the amounts paid or charged
3 for all sales of services in this state, as those services are defined by Chapter 2 of this
4 ~~Subtitle, at the rate of forty-five hundredths of one percent of the amounts paid or~~
5 ~~charged for the services.~~

6 * * *

7 §331. Imposition of tax

8 A. In addition to the tax levied by R.S. 47:302(A) , 321(A), and 321.1(A)
9 and collected ~~under~~ pursuant to the provisions of Chapters 2 and 2-A of this Subtitle,
10 there is hereby levied an additional tax upon the sale at retail, the use, the
11 consumption, the distribution, and the storage for use or consumption in this state of
12 each item or article of tangible personal property or digital product, as defined in
13 Chapter 2 of this Subtitle; the levy of the tax shall be as follows:

14 (1) At the rate of one percent of the sales price of each item or article of
15 tangible personal property or digital product when sold at retail in this state, the tax
16 to be computed on gross sales for the purpose of remitting the amount of tax to the
17 state, and to include each and every retail sale.

18 (2) At the rate of one percent of the cost price of each item or article of
19 tangible personal property or digital product when it is not sold but is used,
20 consumed, distributed, or stored for use or consumption in this state, provided that
21 there shall be no duplication of the tax.

22 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 321.1(B) and
23 collected pursuant to the provisions of Chapters 2 and 2-A of this Subtitle, there is
24 hereby levied a tax upon the lease or rental within this state of each item or article
25 of tangible personal property or digital product, as defined in Chapter 2 of this
26 Subtitle. The levy of the tax shall be as follows:

27 (1) At the rate of one percent of the gross proceeds derived from the lease
28 or rental of tangible personal property or digital product, as defined in Chapter 2 of
29 this Subtitle, where the lease or rental of such property is in an established business,
30 or part of an established business, or is incidental or germane to the business.

(2) At the rate of one percent of the monthly lease or rental price paid by a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee to the owner of the tangible personal property or digital product.

* * *

§337.4. Levy of sales and use taxes

* * *

B. The local ordinance shall contain the following:

* * *

(4) The purpose for which the proceeds of the tax shall be used.

* * *

§337.10. Optional exemptions

A. A political subdivision may provide for a sales and use tax exemption as provided for in ~~R.S. 47:305(A) through (E), or any combination of these or all of them~~ R.S. 47:305.5(A) through (E), for the sales, cost, or lease and rental price of manufacturing machinery and equipment, either effective upon adoption or enactment or phased in over a period of time, or effective for a certain period of time or duration, all as set forth in the instrument, resolution, vote, or other affirmative action providing for the exemption. However, any ordinance or resolution enacted pursuant to this Section or its predecessor that exempts manufacturing machinery and equipment in effect on December 31, 2024, shall remain in effect even if the ordinance or resolution does not adopt all of the definitions, exemptions, and limitations provided for in R.S. 47:305.5.

* * *

D. ~~As provided for in R.S. 47:305.64, political subdivisions, including municipalities and parishes, may elect to provide for a sales and use tax exemption for the amount paid by qualifying radiation therapy treatment centers for the purchase, lease, or repair of capital equipment and the purchase, lease, or repair of software used to operate capital equipment. Except for exemptions required by law, specifically including R.S. 47:305.64, 305.76, 337.9(D)(34), and 338.52, a political~~

subdivision may provide for a sales and use tax exemption as provided for in R.S. 47:305.2(A).

E. A political subdivision may, by ordinance or resolution, provide for the exemption provided for in this Section; however, the ordinance or resolution shall provide for the adoption of all of the definitions, exemptions, and limitations provided for in the referenced Section.

Section 4. R.S. 47:305.1(A), (B), (C)(1)(introductory paragraph) and (c) and (3)(a), 305.6(6), and 305.7(A)(1) are hereby amended and reenacted and R.S. 47:305.1(C)(6) and 305.23 are hereby enacted to read as follows:

§305.1. Exclusions and exemptions; ships and ships' supplies

A. The tax imposed by taxing authorities shall not apply to sales of materials, equipment, ~~and machinery, and software~~ which that enter into and become component parts of ~~ships, vessels, or barges, including commercial fishing vessels, drilling ships, or drilling barges,~~ of fifty tons load displacement and over, built in Louisiana nor to the gross proceeds from the sale of such ~~ships, vessels, or barges~~ when sold by the builder thereof.

B. The taxes imposed by taxing authorities shall not apply to any of the following:

(1) Materials, materials and supplies, or software purchased by the owners or operators of ~~ships, barges, or vessels, including drilling ships,~~ operating exclusively in foreign or interstate coastwise commerce, where ~~such the~~ the materials and supplies are loaded upon, or software is installed on any such ~~ship, barge, or~~ vessel for use or consumption in the maintenance and operation ~~thereof, nor to repair~~ of the vessel.

(2) Repair services performed upon ~~such ships, barges, or~~ vessels operating exclusively in foreign or interstate coastwise commerce, ~~nor to the~~ including materials, ~~and~~ supplies, and software used in ~~such the~~ the repairs where ~~such the~~ the items ~~materials and supplies~~ enter into and become a component part of such ~~ships, barges, or~~ vessels, ~~nor to laundry~~

(3) Laundry services performed for the owners or operators of ~~such ships,~~
~~barges, or vessels~~ operating exclusively in foreign or interstate coastwise commerce,
where the laundered articles are to be used in the course of the operation of such
~~ships, barges, or vessels.~~

(4) Digital products, prewritten computer software access services, and information services purchased by the owners or operators of vessels operating exclusively in foreign or interstate coastwise commerce, where the digital product or service is used in the maintenance or operation of the vessel and is either required for the navigation or intended commercial operation of a vessel or required to obtain certification or approvals from the United States Coast Guard or any regulatory agency or classification society with respect to a vessel.

(5) Nothing in this Section shall be construed to exempt purchases of software, digital products, or services that are used for routine business operations not specific to the commercial operations of a vessel or for entertainment, leisure, or recreation of crew members or any other person on the vessel.

C.(1) For purposes of this Section, the term "foreign or interstate coastwise commerce" shall mean and include trade, traffic, transportation, or movement of passengers or property by, in, or on a ship, barge, or vessel, including a drilling ship:

* * *

(c) At a point in or between points in the same state as part of or in connection with the business of providing or delivering materials, equipment, fuel, supplies, crew, repair services, laundry services, dredging waterways services, stevedoring services, other loading or unloading services, or ship, barge, or vessel movement services to or for ships, barges, or vessels, including drilling ships, that are operating in foreign or interstate coastwise commerce as defined in this Subsection; or

* * *

(3) For purposes of this Section, the term "component part" or "component parts" shall mean and include any item or article of tangible personal property that is:

(a) Incorporated into, attached to, or placed ~~upon~~ on a ~~ship~~, vessel, barge, commercial fishing vessel, ~~drilling ship~~, or drilling barge (~~collectively referred to in this Section as "vessel" or "vessels"~~) during either (i) the construction of ~~such~~ the vessel in the case of the exemption provided in Subsection A of this Section, or (ii) the repair of ~~such~~ the vessel in the case of the exemption provided for in Subsection B of this Section;

* * *

(6) For purposes of this Section, "vessel" shall mean a ship, vessel, or barge, including a commercial fishing vessel, drilling ship, or drilling barge.

* * *

§305.6. Exemption; schools and educational materials

The sales and use tax imposed by taxing authorities shall not apply to:

* * *

(6) The purchase, lease, or rental of items of tangible personal property or services by a regionally accredited independent institution of higher education which is a member of the Louisiana Association of Independent Colleges and Universities or by the Edward Via College of Osteopathic Medicine if the purchase, lease, or rental is directly related to the educational mission of the institution.

§305.7. Exclusions and exemptions; intergovernmental; government

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

(b)(i) The exemption provided in Subparagraph (a) of this Paragraph shall extend 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.

(ii) Prior to claiming the exemption provided for in this Paragraph, the general contractor or their subcontractor shall obtain a certificate of exemption from the secretary of the Department of Revenue. The certificate of exemption shall be in a form and manner prescribed by the secretary and shall include the job description, contract number, state or local government entity identifying information, and valid dates or a date range for the project. The general contractor or their subcontractor shall also provide a copy of the construction contract when applying for a certificate of exemption from the department. A local collector shall accept certificates of exemption properly issued by the secretary of the Department of Revenue and completed by the general contractor or their subcontractors.

(c) Notwithstanding any law to the contrary, for purposes of state sales and use taxes, the exemption provided for in this Paragraph shall not apply to purchases made with respect to property owned by a public entity and leased to a private party as part of a payment in lieu of taxes or other similar agreement executed after the effective date of this Subparagraph unless the agreement is approved by the secretary of the Department of Revenue and the secretary of the Louisiana Department of Economic Development.

* * *

§305.23. Sales and use tax exemption; boats

A. Notwithstanding any other provision of law to the contrary, the state and local sales and use taxes levied on boats registered in this state shall not exceed twenty thousand dollars after application of the credits provided for in R.S. 47:303(A)(3) and 337.86, if the tax is paid within ninety days of purchase. If the aggregate state and local sales and use tax on a boat would have equaled an amount exceeding twenty thousand dollars, the actual tax collected shall be divided equally between the applicable state and local taxing authorities.

B. Beginning July 1, 2030, and every five years thereafter, the amount provided for in Subsection (A) of this Section shall be adjusted by an amount calculated by multiplying the amount of the prior year's amount by the percentage increase in the Consumer Price Index United States city average for all urban

1 consumers (CPI-U), as reported by the United States Department of Labor, Bureau
2 of Labor Statistics, or its successor.

3 Section 5. R.S. 47:305(E)(4) and (L), 305.14, 305.21, 305.22, and 305.64 are hereby
4 enacted to read as follows:

5 §305. Exemptions from the tax

6 * * *

7 E. The sale of the following services shall be exempt from the sales and use
8 tax imposed by any taxing authority:

9 * * *

10 (4)(a) Charges for the furnishing of repairs to tangible personal property
11 when the repaired property is delivered to a common carrier or to the United States
12 Postal Service for transportation outside the state, or is delivered outside the state by
13 use of the repair dealer's own vehicle or by use of an independent trucker. However,
14 as to aircraft, delivery may be by the best available means. Offshore areas shall not
15 be considered another state for the purposes of this Paragraph. The provisions of this
16 Paragraph shall only apply to sales and use taxes levied by the state.

17 (b) The exemption authorized pursuant to the provisions of this Paragraph
18 may extend to sales and use taxes levied by a parish, municipality, or school board.

19 * * *

20 L. The lease or rental of motor vehicles by licensed motor vehicle dealers,
21 as defined in R.S. 32:1252(35) or vehicle manufacturers as defined in R.S.
22 32:1252(24), for their use in furnishing leased or rented motor vehicles to their
23 customers in performance of their obligations under warranty agreements associated
24 with the purchase of a motor vehicle or when the applicable warranty has lapsed and
25 the leased or rented motor vehicle is provided to the customer at no charge shall be
26 exempt from sales and use taxes levied by any taxing authority.

27 * * *

1 §305.14. Exemptions; nonprofit organizations; nature of exemption; limitations;
2 qualifications; determination of tax exempt status

3 A.(1) The sales and use taxes imposed by taxing authorities shall not apply
4 to sales of tangible personal property at, or admission charges for, outside gate
5 admissions to, or parking fees associated with, events sponsored by domestic, civic,
6 educational, historical, charitable, fraternal, or religious organizations, which are
7 nonprofit, when the entire proceeds, except for necessary expenses such as fees paid
8 for guest speakers, chair and table rentals, and food and beverage utility related items
9 connected therewith, are used for educational, charitable, religious, or historical
10 restoration purposes, including the furtherance of the civic, educational, historical,
11 charitable, fraternal, or religious purpose of the organization.

12 (2) The exemption provided in this Section shall not apply to any event
13 intended to yield a profit to the promoter or to any individual contracted to provide
14 services or equipment, or both, for the event.

15 (3) This Section shall not be construed to exempt any organization or activity
16 from the payment of sales or use taxes otherwise required by law to be made on
17 purchases made by these organizations.

18 (4) This Section shall not be construed to exempt regular commercial
19 ventures of any type such as bookstores, restaurants, gift shops, commercial flea
20 markets, and similar activities that are sponsored by organizations qualifying
21 hereunder which are in competition with retail merchants.

22 B. The sponsorship of any event by any organization applying for an
23 exemption pursuant to this Section must be genuine. Sponsorship shall not be
24 considered genuine in any case in which exemption from taxation is a major
25 consideration leading to the sponsorship.

26 C.(1) An annual exemption certificate shall be obtained from the secretary
27 of the Department of Revenue pursuant to regulations the secretary shall prescribe,
28 in order for nonprofit organizations to qualify for the exemption provided in this
29 Section. Any event held pursuant to the annual exemption certificate shall be subject

1 to review for compliance with the provisions of law and regulations governing this
2 exemption.

3 (2) In the event the secretary of the Department of Revenue denies tax
4 exempt status pursuant to this Section, the organization may appeal the ruling to the
5 Board of Tax Appeals, which may overrule the secretary and grant tax exempt status
6 if the Board of Tax Appeals determines that the denial of tax exempt status by the
7 collector of revenue was arbitrary, capricious, or unreasonable.

8 (3) However, any organization that endorses any candidate for political
9 office or otherwise is involved in political activities shall not be eligible for the
10 exemption provided in this Section.

11 D. Notwithstanding any other provision of law to the contrary, the proper
12 venue in any proceeding to determine the tax exempt status pursuant to the
13 provisions of this Section shall be the parish in which the activity for which the tax
14 exempt status is claimed took place, or any parish in which the taxpayer has a
15 corporate presence, to be determined at the discretion of the taxpayer.

16 * * *

17 §305.21. Exemption; sickle cell disease organizations

18 A. The sale at retail, the rental or lease, the use, the consumption, the
19 distribution, and the storage for use or consumption in this state of each item or
20 article of tangible personal property, digital products, or any taxable service, by a
21 nonprofit organization established prior to 1975 which conducts a comprehensive
22 program on sickle cell disease which includes but is not limited to free education,
23 free testing, free counseling, and free prescriptions, transportation, and food
24 packages for sickle cell patients shall be exempt from sales and use taxes levied by
25 any taxing authority.

26 B.(1) An exemption certificate shall be obtained from the secretary, in
27 accordance with regulations prescribed by him, in order for a nonprofit organization
28 to qualify for the exemption provided in this Section.

1 (2) If the secretary denies tax exempt status pursuant to this Section, the
2 organization may appeal the ruling to the Board of Tax Appeals which may overrule
3 the secretary and grant tax exempt status to the organization.

4 §305.22. Exemption; Habitat for Humanity

5 The sale of construction materials to Habitat for Humanity affiliates shall be
6 exempt from sales and use taxes imposed by any taxing authority when the materials
7 are used in constructing new residential dwellings in this state.

8 * * *

9 §305.64. Exemption; qualifying radiation therapy treatment centers

10 A.(1) The sales and use tax imposed by any taxing authority shall not apply
11 to the amount paid by qualifying radiation therapy treatment centers for the purchase,
12 lease, or repair of capital equipment and the purchase, lease, or repair of software
13 used to operate capital equipment.

14 (2) For purposes of this Section, the following words shall have the following
15 meanings unless the context clearly indicates otherwise:

16 (a) "Capital equipment" shall mean tangible personal property eligible for
17 depreciation for federal income tax purposes that is used in the diagnosis or
18 treatment of cancer patients. Capital equipment shall include, but shall not be
19 limited to linear accelerators, PET/CT scanners, imaging devices, and software
20 necessary to operate capital equipment. In the case of the Biomedical Research
21 Foundation in Shreveport, "capital equipment" shall mean a PET/CT scanner and
22 related equipment for medical diagnosis and installation of the same.

23 (b) "Qualifying radiation therapy center" shall mean all of the following:

24 (i) A radiation therapy center which is also a nonprofit organization which
25 maintains a joint accreditation with a state university by the Commission on
26 Accreditation of Medical Physics Education Programs, Inc. (CAMPEP) for a
27 graduate medical physics program and which provides facilities and personnel for
28 use for a joint CAMPEP-accredited graduate medical physics program for research,
29 teaching, and clinical training for graduate students.

30 (ii) The Biomedical Research Foundation in Shreveport, Louisiana.

(iii) A radiation therapy facility which, no later than August 1, 2011, employs six or more medical physicists to provide radiation therapy treatment services.

(iv) The Willis-Knighton Health System in Shreveport, Louisiana.

B. An exemption certificate shall be obtained from the secretary of the Department of Revenue in order for a radiation therapy center to qualify for the exemption provided for in this Section.

Section 6. R.S. 51:1286(A) is hereby amended and reenacted to read as follows:

§1286. Sales and use tax

A. In order to provide funds for the purpose of assisting the state in the promotion of tourism, after allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit in and credit to the district, three ~~one~~ ~~hundredths of one~~ percent of the avails of the tax imposed by R.S. 47:331.

* * *

Section 7. R.S. 47:301.6(B) and (C), 305.2(A)(4), and 305.36(E) are hereby repealed in their entirety.

Section 8.(A) During the 2024 Third Extraordinary Session, Act Nos. 10 and 11 amended and reenacted R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F), 305.33, 321(A), 321.1(A) and (B), and 331(A) and (B). It is the intent of the Legislature that R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F), 305.33, 321(A), 321.1(A) and (B), and 331(A) and (B) as amended and reenacted by this Act shall control. The Louisiana State Law Institute is hereby directed to print the provisions of R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F), 305.33, 321(A), 321.1(A) and (B), and 331(A) and (B) as they appear in this Act and to no longer print those provisions as they appear in Act Nos. 10 and 11 of the 2024 Third Extraordinary Session.

(B) During the 2024 Third Extraordinary Session of the Legislature, Act No. 11 amended R.S. 47:301(14)(a) relative to the definition of "sales of services" and the furnishing of sleeping rooms, cottages or cabins by hotels and moved those provisions to

1 R.S. 47:301.3(1). R.S. 47:302.2 through 302.56, 322.1 through 322.49, and 332.1 through
 2 332.55 all reference the avails of the state sales and use taxes imposed from the sales of
 3 services as defined in R.S. 47:301(14)(a). The Louisiana State Law Institute is hereby
 4 directed to change references from R.S. 47:301(14)(a) in R.S. 47:302.2 through 302.56,
 5 322.1 through 322.49, and 332.1 through 332.55 to R.S. 47:301.3(1).

6 Section 9. The provisions of Sections 2, 3, 6, and 7 of this Act shall be applicable to
 7 taxable periods beginning on or after January 1, 2025.

8 Section 10. The provisions of Section 4 of this Act shall be applicable to taxable
 9 periods beginning on or after July 1, 2025.

10 Section 11. The provisions of Section 5 of this Act shall apply to taxable periods
 11 beginning on or after January 1, 2025, for purposes of state sales and use tax and to taxable
 12 periods beginning on or after July 1, 2025, for purposes of sales and use taxes levied by a
 13 political subdivision.

14 Section 12. This Act shall become effective upon signature by the governor or, if not
 15 signed by the governor, upon expiration of the time for bills to become law without signature
 16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 17 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 18 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____