
DIGEST

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Lambert

HB No. 1120

Abstract: Exempts the resale of services from local sales tax.

Present law provides that solely for purposes of the imposition of the sales and use tax levied by a political subdivision or school board, "retail sale" or "sale at retail" shall mean a sale to a consumer or to any other person for any purpose other than for resale in the form of tangible personal property.

Present law provides that the following services shall be subject to sales tax: the furnishing of sleeping rooms, cottages, or cabins by hotels; the sale of admissions to places of amusement, athletic entertainment other than that of schools, colleges and universities, and recreational events, and the furnishing, for dues, fees, or other consideration of the privilege of access to clubs or the privilege of having access to or the use of amusement, entertainment, athletic, or recreational facilities; the furnishing of storage or parking privileges by auto hotels and parking lots; the furnishing of printing or similar services of reproducing written or graphic matter; the furnishing of laundry and cleaning services and storage space for clothing, furs and rugs; and the furnishing of cold storage space; the furnishing of repairs to tangible personal property.

Proposed law retains present law and further exempts the resale of services subject to tax under present law, provided the retail sale of the service is subject to sales tax in this state.

Present law provides that sales for resale be made in strict compliance with the rules and regulations and that any dealer making a sale for resale, which is not in strict compliance with the rules and regulations, shall himself be liable for and pay the tax.

Proposed law retains present law and changes the requirement for compliance from strict compliance to substantial compliance.

Proposed law provides that a local collector shall accept a resale certificate issued by the Dept. of Revenue, provided the taxpayer includes the parish of its principal place of business and local sales tax account number on such certificate and that the Dept. of Revenue shall accommodate the inclusion of such information on its resale certificate for such purposes.

(Amends R.S. 47:301(10)(a)(ii))