

2021 Regular Session

HOUSE BILL NO. 50

BY REPRESENTATIVE STEFANSKI

TAX/SALES & USE: Provides a state and local sales and use tax exclusion for certain re-leases or re-rentals of items of tangible personal property

1 AN ACT

2 To enact R.S. 47:301(7)(m), 302(BB)(114), 321(P)(115), 321.1(I)(115), and 331(V)(115),
3 relative to state sales and use tax; to provide for a state sales and use tax exclusion
4 for certain leases or rentals of items of tangible personal property; to provide for
5 definitions; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(7)(m), 302(BB)(114), 321(P)(115), 321.1(I)(115), and
8 331(V)(115) are hereby enacted to read as follows:

9 §301. Definitions

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

13 * * *

14 (7)

15 * * *

16 (m)(i) For purposes of any sales, use, lease, or rental tax, the term "lease or
17 rental" shall not mean or include the lease or rental of any item of tangible personal
18 property by a short-term equipment rental dealer for the purpose of re-lease or re-
19 rental.

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 50 Engrossed

2021 Regular Session

Stefanski

Abstract: Establishes a state and local sales and use tax exclusion for the lease or rental of items of tangible personal property by a short-term equipment rental dealer for the purpose of re-lease or re-rental.

Present law 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%

Present law imposes a statewide sales and use tax on the sale, use, lease, or rental of tangible personal property at a rate of .03%.

Proposed law establishes an exclusion from state and local sales and use tax for the lease or rental of any item of tangible personal property by a short-term equipment rental dealer for the purpose of re-lease or re-rental.

Proposed law defines, for purposes of the exclusion in proposed law, "short-term equipment rental dealer" as a person or entity whose principal business is the short-term rental of tangible personal property classified under code numbers 532412 and 532310 of the North American Industry Classification System, published by the U. S. Bureau of Census.

Proposed law further defines "short-term rental" as the rental of tangible personal property for a period of less than 365 days, for an undefined period, or under an open-ended agreement.

Effective Oct. 1, 2021.

(Adds R.S. 47:301(7)(m), 302(BB)(114), 321(P)(115), 321.1(I)(115), and 331(V)(115))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the type of transactions the exclusion applies to from re-leases or re-rentals made by a short-term equipment rental dealer to leases or rentals by a short-term equipment rental dealer for the purpose of re-lease or re-rental.
2. Change effectiveness from signature of the governor to Oct. 1, 2021.
3. Make technical changes.