

2025 Regular Session

HOUSE BILL NO. 578

BY REPRESENTATIVE EMERSON

TAX/SALES & USE: Provides with respect to state and local sales and use taxes and exemptions to those taxes

1 AN ACT

2 To amend and reenact R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i),
3 and (27)(x)(ix), 301.1(F), 301.3(7)(a) and (10)(a), 305.2(A)(5), 305.6(1) and (5),
4 305.7(A)(2), 305.12(D), 305.33, 305.36(A), (B), and (C)(1), 305.75(A), 321(A),
5 321.1(A), (B), and (C), and 331(A) and (B) and R.S. 51:1286(A), to enact R.S.
6 39:100.118 and R.S. 47:301.3(11), 305(E)(4) and (L), 305.14, 305.21, 305.22, and
7 305.64, and to repeal R.S. 47:301.6(B) and (C) and 321.1(E), relative to sales and use
8 tax; to reduce the state sales and use tax rate under certain circumstances; to provide
9 with respect to exemptions from sales and use taxes levied by taxing authorities; to
10 exempt certain services from sales and use tax; to provide for the exemption for
11 schools and educational materials; to provide for the exemption for certain
12 intergovernmental transactions; to provide for exemptions for certain nonprofit
13 organizations; to provide for the exemption for software and digital products for
14 certain healthcare facilities; to provide for an exemption for certain sickle cell
15 disease organizations; to provide for the exemption for transactions involving certain
16 motor vehicles; to provide for an exemption for qualifying radiation therapy
17 treatment centers; to provide with respect to the levies of certain taxes; to provide for
18 taxes levied on certain telecommunication and ancillary services; to provide for the
19 amount of sales and use taxes dedicated to tourism; to provide for definitions; to
20 provide for limitations and requirements; to authorize the refund of certain sales and
21 use taxes under certain circumstances; to provide for the establishment of the Local

1 Revenue Fund; to provide for the transfer, deposit, and use of monies in the fund; to
2 provide for applicability; to provide for effectiveness; and to provide for related
3 matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 39:100.118 is hereby enacted to read as follows:

6 §100.118. Local Revenue Fund

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

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

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

20 Section 2. R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i), and
21 (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),
22 305.12(D), 305.33, 305.36(A), (B), and (C)(1), 305.75(A), 321(A), 321.1(A), (B), and (C),
23 and 331(A) and (B) are hereby amended and reenacted and R.S. 47:301.3(11), 305(E)(4) and
24 (L), 305.14, 305.21, 305.22, and 305.64 are hereby enacted to read as follows:

25 §301. Definitions

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

29 * * *

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

* * *

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

* * *

16 (k)(i) Any person who sells for delivery into Louisiana tangible personal
 17 property, products transferred electronically, digital products, or services, and who
 18 does not have a physical presence in Louisiana, if during the previous or current
 19 calendar year the person's gross revenue for sales delivered into Louisiana has
 20 exceeded one hundred thousand dollars from sales of tangible personal property,
 21 products transferred electronically, digital products, or services.

* * *

23 (10)(a) ~~Solely for the~~ For purposes of the imposition of ~~the state~~ sales and use
 24 ~~tax~~ taxes levied by any taxing authority, "retail sale" or "sale at retail" means a sale
 25 to a consumer, ~~end user~~, or to any other person for any purpose other than for resale
 26 as tangible personal property or a digital product, or ~~for the lease of automobiles in~~
 27 ~~an arm's length transaction, and shall mean and include all transactions that the~~
 28 ~~secretary, upon investigation, finds to be in lieu of sales; provided that sales for~~
 29 ~~resale or for lease of automobiles in an arm's length transaction must be made in~~

1 ~~strict compliance with the rules and regulations. Any dealer making a sale for resale~~
2 ~~or for the lease of automobiles, which is not in strict compliance with the rules and~~
3 ~~regulations, shall himself be liable for and pay the tax.~~ resale of a service provided
4 for in R.S. 47:301.3 provided the retail sale of the service is subject to sales tax in
5 this state and shall mean and include all transactions that the secretary, upon
6 investigation, finds to be in lieu of sales; provided that sales for resale shall be made
7 in strict compliance with rules and regulations. Any dealer making a sale for resale
8 which is not in strict compliance with the rules and regulations shall be liable for and
9 pay the tax. A local collector shall accept a resale certificate issued by the
10 Department of Revenue, provided the taxpayer includes the parish of its principal
11 place of business and local sales tax account number on the state certificate.
12 However, in the case of an intra-parish transaction from dealer to dealer, the
13 collector may require that the local exemption certificate be used in lieu of the state
14 certificate. The department shall accommodate the inclusion of this information on
15 its resale certificate for these purposes.

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

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

29 * * *

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

* * *

13 (16)

* * *

15 (d) The term "tangible personal property" shall not include work products
 16 which are written on paper, stored on magnetic or optical media, or transmitted ~~by~~
 17 ~~electronic device~~ electronically, when such work products are created in the normal
 18 course of business by any person licensed or regulated by the provisions of Title 37
 19 of the Louisiana Revised Statutes of 1950, unless such work products are duplicated
 20 without modification for sale to multiple purchasers. This exclusion shall not apply
 21 to work products which consist of the creation, modification, updating, or licensing
 22 of computer software.

* * *

24 (18)(a)(i) ~~Solely for~~ For purposes of the imposition of ~~the state~~ sales and use
 25 tax levied by any taxing authority, "use" means and includes the exercise of any right
 26 or power over tangible personal property or digital products incident to the
 27 ownership thereof, except that it shall not include the sale at retail of those items of
 28 property or products in the regular course of business ~~or the donation to a school in~~
 29 ~~the state which meets the definition provided in R.S. 17:236 or to a public or~~

1 ~~recognized independent institution of higher education in the state of property~~
 2 ~~previously purchased for resale in the regular course of a business. The term "use"~~
 3 ~~shall not include the purchase, the importation, the consumption, the distribution, or~~
 4 ~~the storage of automobiles to be leased in an arm's length transaction, nor shall the~~
 5 ~~term "use" include the donation of food items to a food bank as defined in R.S.~~
 6 ~~9:2799(B).~~

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

14 * * *

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

20 * * *

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

25 * * *

26 (x) "Telecommunications service" means the electronic transmission,
 27 conveyance, or routing of voice, data, audio, video, or any other information or
 28 signals to a point, or between or among points. "Telecommunications service"
 29 includes the transmission, conveyance, or routing in which computer processing

1 applications are used to act on the form, code, or protocol of the content for purposes
2 of transmission, conveyance, or routing without regard to whether the service is
3 referred to as voice over internet protocol service or is classified by the Federal
4 Communications Commission as an enhanced or value-added service.

5 "Telecommunications service" does not include any of the following:

6 * * *

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

9 * * *

10 §301.1. Telecommunications and ancillary services

11 * * *

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

18 (2) There is hereby levied an additional state sales and use tax upon all
19 telecommunications services, cable television services, direct-to-home satellite
20 services, video programming services, provided by cable television and satellite
21 service providers, and satellite digital audio radio services in this state, at the rate of
22 five percent of the amounts paid or charged for such services.

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

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

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

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

10 * * *

11 §301.3. Services

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

14 * * *

15 (7)(a) Repairs and maintenance of tangible personal property. Repairs and
16 maintenance include but are not limited to the repair and servicing of automobiles,
17 vehicles, boats and vessels, electrical and mechanical appliances and equipment,
18 farm machinery and implements, motors, tires, batteries, engineering instruments,
19 medical and surgical instruments, machinery, mechanical tools, shop equipment,
20 furniture, rugs, ~~flooring~~, watches, clocks, jewelry, refrigerators, phones, televisions,
21 radios, shoes, including shoe shining, and office appliances and equipment. This
22 includes service calls and trip or travel charges.

23 * * *

24 (10)(a) The providing of information services. For purposes of this
25 Paragraph, information services means electronic data retrieval or research; and
26 collecting, compiling, analyzing, or furnishing of information of any kind, including
27 but not limited to general or specialized news, other current information or financial
28 information, by printed, mimeographed, electronic, or electrical transmission, or by
29 utilizing wires, cable, radio waves, microwaves, satellites, fiber optics, or any other

1 method now in existence or which may be devised; this includes delivering or
2 providing access to information through databases or subscriptions. Information
3 services include but are not limited to:

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

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

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

12 (iv) Global positioning system services including driving directions and
13 sports, news, and similar information ~~provided through satellite audio programming~~
14 ~~services.~~

15 (iv) Global positioning system services including driving directions and
16 sports, news, and similar information provided through satellite audio programming
17 services.

18 * * *

19 (11) Solely for purposes of state sales and use taxes, cable television
20 services, direct-to-home satellite services, video programming services provided by
21 cable television and satellite service providers, and satellite digital audio radio
22 services.

23 * * *

24 §305. Exemptions from the tax

25 * * *

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

28 * * *

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.

28 * * *

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 Subsection shall apply only to admission charges for, outside gate admissions to, or
2 parking fees associated with an event when the charges and fees are payable to or for
3 the benefit of the sponsor of the event.

4 * * *

5 §305.36. Exclusions and exemptions; motor vehicles

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

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

1 authorities. These persons shall not be allowed to make an isolated or occasional
2 non-retail sale of the property ~~under R.S. 47:301(1) or R.S. 47:301(10)~~ pursuant to
3 R.S. 47:305(A).

4 C.(1) No person shall be entitled to purchase, use, or import motor vehicles,
5 trailers, or semitrailers, under this Section without payment of the tax imposed by
6 ~~R.S. 47:302(A), R.S. 47:321(A), and R.S. 47:331(A)~~ any taxing authority before
7 having received an exemption number or certificate from the secretary of the
8 Department of Revenue authorizing him to engage in the business of purchasing,
9 using, or importing motor vehicles.

10 * * *

11 §305.64. Exemption; qualifying radiation therapy treatment centers

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

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

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

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

26 (i) A radiation therapy center which is also a nonprofit organization which
27 maintains a joint accreditation with a state university by the Commission on
28 Accreditation of Medical Physics Educational Programs, Inc. (CAMPEP) for a
29 graduate medical physics program and which provides facilities and personnel for

1 use for a joint CAMPEP-accredited graduate medical physics program for research,
2 teaching, and clinical training for graduate students.

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

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

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

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

11 * * *

12 §305.75. Exemptions; feminine hygiene products and diapers

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

16 * * *

17 §321. Imposition of tax

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

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

29 (2) At the rate of one percent of the cost price of each item or article of

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

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

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

17 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and
18 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied a
19 tax upon the lease or rental within this state of each item or article of tangible
20 personal property or digital product, as defined by Chapter 2 of this Subtitle; the levy
21 of the tax to be as follows:

22 (1)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
23 rate of forty-five hundredths of one percent of the gross proceeds derived from the
24 lease or rental of tangible personal property or digital product, as defined in Chapter
25 2 of this Subtitle, where the lease or rental of such property is in an established
26 business, or part of an established business, or the same is incidental or germane to
27 the business.

28 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
29 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an

1 additional tax of fifty-five hundredths of one percent of the gross proceeds derived
2 from the lease or rental of tangible personal property or digital product, as defined
3 in Chapter 2 of this Subtitle, where the lease or rental of such property is in an
4 established business, or part of an established business, or the same is incidental or
5 germane to the business.

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

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

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

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

24 C.

25 * * *

26 (2) Beginning January 1, 2025, through December 31, 2029, in addition to
27 the tax levied in Paragraph (1) of this Subsection, there is hereby levied an additional
28 tax of fifty-five hundredths of one percent ~~tax upon~~ of the amounts paid or charged
29 for all sales of services in this state, as those services are defined by Chapter 2 of this

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

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

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

17 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and
18 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied a
19 tax upon the lease or rental within this state of each item or article of tangible
20 personal property or digital product, as defined by Chapter 2 of this Subtitle; the levy
21 of the tax to be as follows:

22 ~~(1)(a) Except as provided for in Subparagraph (b) of this Paragraph, at~~ At the
23 rate of ~~forty-five~~ seventy-five hundredths of one percent of the gross proceeds
24 derived from the lease or rental of tangible personal property or digital product, as
25 defined in Chapter 2 of this Subtitle, where the lease or rental of such property is in
26 an established business, or part of an established business, or the same is incidental
27 or germane to the business.

28 ~~(b) Beginning January 1, 2025, through December 31, 2029, in addition to~~
29 ~~the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an~~

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 additional tax of ~~fifty-five hundredths of one percent of the gross proceeds derived~~
2 ~~from the lease or rental of tangible personal property or digital product, as defined~~
3 ~~in Chapter 2 of this Subtitle, where the lease or rental of such property is in an~~
4 ~~established business, or part of an established business, or the same is incidental or~~
5 ~~germane to the business.~~

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

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

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

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

24 C.(1) ~~Except as provided for in Paragraph (2) of this Subsection, in In~~
25 ~~addition to the tax levied on sales of services by R.S. 47:302(C), 321(C), and 331(C)~~
26 ~~and collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied~~
27 ~~a tax upon all sales of services in this state, as those services are defined by Chapter~~
28 ~~2 of this Subtitle, at the rate of ~~forty-five~~ seventy-five hundredths of one percent of~~
29 ~~the amounts paid or charged for the services.~~

1 301.1(F), 305.33, 321(A), 321.1(A) and (B), and 331(A) and (B). It is the intent of the
2 Legislature that R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F),
3 305.33, 321(A), 321.1(A) and (B), and 331(A) and (B) as amended and reenacted by this
4 Act shall control. The Louisiana State Law Institute is hereby directed to print the provisions
5 of R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F), 305.33,
6 321(A), 321.1(A) and (B), and 331(A) and (B) as they appear in this Act and to no longer
7 print those provisions as they appear in Act Nos. 10 and 11 of the 2024 Third Extraordinary
8 Session.

9 (B) During the 2024 Third Extraordinary Session of the Legislature, Act No. 11
10 amended R.S. 47:301(14)(a) relative to the definition of "sales of services" and the
11 furnishing of sleeping rooms, cottages or cabins by hotels and moved those provisions to
12 R.S. 47:301.3(1). R.S. 47:302.2 through 302.56, 322.1 through 322.49, and 332.1 through
13 332.55 all reference the avails of the state sales and use taxes imposed from the sales of
14 services as defined in R.S. 47:301(14)(a). The Louisiana State Law Institute is hereby
15 directed to change references from R.S. 47:301(14)(a) in R.S. 47:302.2 through 302.56,
16 322.1 through 322.49, and 332.1 through 332.55 to R.S. 47:301.3(1).

17 Section 9. The provisions of Sections 1, 2, 4, 5, and 7 of this Act shall be applicable
18 to taxable periods beginning on or after January 1, 2025.

19 Section 10. Sections 3 and 6 of this Act shall take effect and become operative if and
20 when the proposed amendment of Article VII of the Constitution of Louisiana contained in
21 the Act which originated as House Bill No. 472 of this 2025 Regular Session of the
22 Legislature is adopted at a statewide election and becomes effective.

23 Section 11. This Section and Sections 1, 2, 4, 5, and 7 through 9 of this Act shall
24 become effective upon signature by the governor or, if not signed by the governor, upon
25 expiration of the time for bills to become law without signature by the governor, as provided
26 by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and
27 subsequently approved by the legislature, this Act shall become effective on the day
28 following such approval.

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 578 Reengrossed

2025 Regular Session

Emerson

Abstract: Reduces the state sales and use tax rate from 5% to 4.75% under certain circumstances and provides for the base of state and local sales and use taxes.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property and digital products pursuant to the following levies in the following amounts:

- (1) R.S. 47:302 - 2%
- (2) R.S. 47:321 - 1%
- (3) R.S. 47:321.1 - 1%
- (4) R.S. 47:331 - 1%

Present law provides for the reduction in the state sales tax rate from 5% to 4.75% beginning Jan. 1, 2030.

Proposed law retains present law with respect to all of the levies of state sales and use tax except for the 1% tax levied pursuant to R.S. 47:321.1. Proposed law accelerates the reduction in the state sales and use tax rate provided for in this levy from 1% to .75%.

Present law requires the treasurer to deposit in and credit 0.3% of the avails of the 1% state sales tax levied pursuant to R.S. 47:331 for purposes of assisting the state in the promotion of tourism.

Proposed law changes the amount of the dedication to the promotion of tourism from 0.3% of the avails of the 1% state sales tax levied pursuant to R.S. 47:331 to 3% of the avails of the 1% state sales and use tax levied pursuant to R.S. 47:331.

Present law defines a "dealer" as 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" also includes any person who sells for delivery into La. tangible personal property, products transferred electronically, or services, and who does not have a physical presence in La., if during the previous or current calendar year the person's gross revenue for sales delivered into this state exceeded \$100,000 from sales of tangible personal property, products transferred electronically, or services.

Proposed law retains present law but adds digital products to the items that a person sells or delivers into this state by persons who do not have a presence in La. and adds digital products to the sales or transfers that are used in calculating the \$100,000 sales threshold.

Present law provides that state and local sales taxes apply to repairs and maintenance of tangible personal property including the repair and servicing of items such as automobiles, vehicles, boats and vessels, electrical and mechanical appliances and equipment, furniture, rugs, flooring, watches, clocks, jewelry, and refrigerators.

Proposed law retains present law but removes flooring from the list of services subject to state and local sales and use tax.

Present law provides that sales taxes of *any taxing authority* shall apply to the providing of information services including cable television services, direct-to-home satellite services, video programming services, and satellite digital audio radio services, and global positioning system services including driving directions and sports, news, and similar information provided through satellite audio programming services.

Proposed law changes present law by providing that cable television services, direct-to-home satellite services, video programming services provided by cable television and satellite service providers, and satellite digital audio radio services shall only be subject to *state* sales tax.

Proposed law exempts charges for repairs to tangible personal property when the repaired property is delivered to a common carrier or to the U.S. Postal Service for transportation outside the state or delivered outside the state by use of the repair dealer's own vehicle or by use of an independent trucker from sales taxes from any taxing authority. Proposed law further provides that the delivery of aircraft may be made by the best available means and offshore areas shall not be considered another state for the purposes of this exemption.

Proposed law exempts the lease or rental of motor vehicles by licensed motor vehicle dealers or vehicle manufacturers for their use in furnishing leased or rented motor vehicles to their customers in performance of their obligations under warranty agreements associated with the purchase of a motor vehicle or when the applicable warranty has lapsed and the leased or rented motor vehicle is provided to the customer at no charge from sales taxes of any taxing authority.

Present law exempts educational materials or equipment used for classroom instruction by approved parochial and private elementary and secondary schools from the sales and use tax imposed by taxing authorities. Further exempts the sale of admissions to athletic and entertainment events held for or by parochial, and private elementary and secondary schools.

Proposed law retains present law but adds the purchase, lease, or rental of educational materials to the items exempted from sales and use tax. Further extends the exemption for admissions to athletic and entertainment events held at schools to include public schools.

Present law provides that any municipal corporation, parish, sewerage, or water district that enters into a contract with a private nonprofit company to construct or operate a sewerage or wastewater treatment facility shall be exempt from the same sales tax as the municipal corporation, parish, sewerage, or water district.

Proposed law changes present law to provide that any private nonprofit company that enters into a contract with a municipal corporation, parish, sewerage, or water district to construct or operate a sewerage or wastewater treatment facility shall be exempt from the same sales tax as the municipal corporation, parish, sewerage, or water district.

Present law exempts digital products used by licensed healthcare facilities and providers for storing or transmitting healthcare information or for the diagnosis or treatment of a medical condition from sales taxes imposed by taxing authorities.

Proposed law retains present law but extends the sales tax exemption to computer software or prewritten computer software access services used by licensed healthcare facilities and providers for storing or transmitting healthcare information or for the diagnosis or treatment of a medical condition.

Proposed law adds exemptions from sales taxes imposed by taxing authorities for the following:

- (1) Admission charges for, outside gate admissions to, or parking fees associated with, events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious organizations, which are nonprofit, when the entire proceeds, except for necessary expenses are used for educational, charitable, religious, or historical restoration purposes. (R.S. 47:305.14)
- (2) Purchases by a nonprofit organization which conducts a comprehensive program on sickle cell disease which includes free education, free testing, free counseling, and free prescriptions, transportation, and food packages for sickle cell patients. (R.S. 47:305.21)
- (3) Sales of construction materials for Habitat for Humanity. (R.S. 47:305.22)
- (4) Purchases by qualifying radiation therapy treatment centers for or software used to operate capital equipment. (R.S. 47:305.64)

Present law provides for a state sales and use tax exemption for the sale, purchase, lease, or the importation of motor vehicles, trailers, or semitrailers as defined in present law stored, used, or consumed in this state exclusively for lease or rental, provided that the gross proceeds derived from the lease or rental of the property not previously taxed shall be at reasonable market rates.

Proposed law retains present law but extends the exemption to local sales and use taxes thereby making the exemption applicable to taxes levied by all taxing authorities.

Proposed law authorizes a taxpayer to claim a refund of sales tax paid on sales transactions which occurred between Jan. 1, 2025, and the effective date of proposed law that are exempted pursuant to proposed law. In these cases, the taxpayer shall first request a refund from the vendor who charged and collected the sales tax. Vendors may then claim a refund from the secretary upon evidence that the sales tax has been refunded to the taxpayer. If a taxpayer is unable to obtain a refund from the vendor, the taxpayer may then claim a refund from the secretary. No interest on refunds shall accrue or be paid by the secretary on transactions exempted pursuant to proposed law. This Section shall only apply to.

Proposed law provides for establishment of the Local Revenue Fund as a special fund in the state treasury (hereinafter "fund"). After allocation of money to the Bond Security and Redemption Fund as provided for in present constitution, the treasurer is required to deposit in and credit to the fund the avails of the additional 5% tax levied in present law on telecommunications services, cable televisions services, direct-to-home satellite services, video programming services, and satellite digital audio radio services in this state and any other revenue dedicated to the fund by the legislature.

Proposed law requires monies in the fund to be used solely for distribution to ad valorem tax recipient bodies within a parish to offset losses attributable to business inventory exemptions to the ad valorem tax granted by a parish.

All provisions of proposed law except those with respect to accelerating the reduction in the state sales tax levied pursuant to R.S. 47:321.1 from 1% to .75% shall be applicable to taxable periods beginning on or after Jan. 1, 2025.

Proposed law with respect to accelerating the reduction in the state tax levied pursuant to present law (R.S. 47:321.1) from 1% to .75% is effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. 472 of this 2025 R.S. of the Legislature is adopted at a statewide election and becomes effective.

All other provisions of proposed law is effective upon signature of governor or lapse of time for gubernatorial action.

(Amends 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), 305.75(A), 321(A), 321.1(A), (B), and (C) and 331(A) and (B) and R.S. 51:1286(A); Adds R.S. 39:100.118 and R.S. 47:301.3(11), 305(E)(4) and (L), 305.14, 305.21, 305.22, and 305.64; Repeals R.S. 47:301.6(B) and (C) and 321.1(E))

Summary of Amendments Adopted by House

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

1. Remove provisions in proposed law relative to prohibiting fees or taxes from being imposed or levied on nongaming incentives or inducements granted by a licensee to a patron on a complimentary basis.
2. Remove the repeal of the provisions of present law relative to lease agreements for the rental of certain trucks and trailers wherein the lessor is authorized to retain taxes collected on these leases.
3. Extend the sales tax exemption for digital products used by licensed healthcare facilities and providers for storing or transmitting healthcare information or for the diagnosis or treatment of a medical condition to computer software or prewritten computer software access services.
4. Make technical changes.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Add establishment of the Local Revenue Fund to which deposits of the avails of the additional 5% state tax levied on telecommunications services, cable televisions services, direct-to-home satellite services, video programming services, and satellite digital audio radio services in this state shall be used to offset losses attributable to business inventory exemptions to ad valorem tax granted by parishes.
2. Remove the repeal of provisions in present law relative to prohibiting fees or taxes from being imposed or levied on nongaming incentives or inducements granted by a licensee to a patron on a complimentary basis.
3. Accelerate the reduction in the state sales tax levied pursuant to present law (R.S. 47:321.1) from 1% to .75% subject to statewide adoption and effectiveness of the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. 472 of this 2025 R.S. of the Legislature.
4. Add limitation that all provisions of proposed law except those with respect to accelerating the reduction in the state sales tax levied pursuant to R.S. 47:321.1 from 1% to .75% shall be applicable to taxable periods beginning on or after Jan. 1, 2025.
5. Direct the La. State Law Institute to change references in present law that dedicate portions of the state tax levied on the service of renting sleeping rooms, cottages, or cabins by hotels from R.S. 47:301(14)(a) to R.S. 47:301.3(1).