
DIGEST

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HB 304 Original

2019 Regular Session

Dwight

Abstract: Reinstates the effectiveness of the sales and use tax exemption for new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft withdrawn from stock that are used as demonstrators and extends the exemption to include vehicles *kept in a dealer's inventory*.

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%
- R.S. 51:1286 - .03%

Present law exempts new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft withdrawn from stock by factory authorized new truck, new automobile, new aircraft dealers, and factory-authorized dealers of new boats, vessels, or other water craft, and used trucks and used automobiles withdrawn from stock by new or used motor vehicle dealers for use as demonstrators from sales and use tax.

Proposed law retains present law but includes not only new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft withdrawn from stock but also those that are *kept in a dealer's inventory* and used as demonstrators.

Present law suspends numerous exemptions from the four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025, including the exemption for new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft used as demonstrators.

Proposed law changes present law by adding the exemption for new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft used as demonstrators to the list of exemptions that are effective through June 30, 2025.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:305(D)(1)(i); Adds R.S. 47:302(BB)(110), 321(P)(111), 321.1(I)(111), and 331(V)(111))

