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## DIGEST

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HB 597 Original

2019 Regular Session

Stefanski

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

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 provides that state and local sales and use tax apply to the re-lease or re-rental of items of tangible personal property made by a short-term equipment rental dealer.

Present law suspends numerous exclusions and exemptions from the four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025.

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

Proposed law defines, for purposes of the exclusion in proposed law, a "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 (NAICS), published by the U. S. Bureau of Census.

Proposed law further defines a "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.

Proposed law changes present law by adding the sales and use tax exclusion for the re-lease or re-rental of items of tangible personal property as established in proposed law to the list of exclusions and exemptions that are effective through June 30, 2025.

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

(Adds R.S. 47:301(7)(m), 302(BB)(110), 321(P)(111), 321.1(I)(111), and 331(V)(111))

