

**GREEN SHEET REDIGEST**

**HB 26**

**2020 Second Extraordinary Session**

**Schexnayder**

**TAX/SALES-USE-EXEMPT: Establishes a sales tax holiday to provide relief for recovery as a result of Hurricane Laura and the COVID-19 pandemic (Item #26)**

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DIGEST

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%

Proposed law authorizes a state sales and use tax exemption (sales tax holiday) on the first \$2,500 of the sales price of any consumer purchases of tangible personal property that occur on Friday, Nov. 20, 2020, and Saturday, Nov. 21, 2020, in order to provide tax relief for citizens recovering from Hurricane Laura, Hurricane Delta, and the COVID-19 pandemic.

Proposed law defines "consumer purchases" as purchases of items of tangible personal property other than vehicles subject to license and title but excludes purchases of meals furnished for consumption on the premises where purchased, including to-go orders.

Proposed law sets forth requirements for sales in order for the exemption to apply and terms and conditions for "rain checks", items bought on "layaway", and returns.

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; however, some exemptions are specifically given effectiveness.

Proposed law changes present law by adding the November 20, 2020, and November 21, 2020, sales and use tax holidays in proposed law to the list of exemptions that are currently effective.

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

(Adds R.S. 47:302(BB)(113), 305.74, 321(P)(114), 321.1(I)(114), and 331(V)(114))

Summary of Amendments Adopted by House

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

1. Delete authorization for the governing authority of a political subdivision to establish a local sales tax holiday during the same time period as the state sales tax holiday.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill

1. Extends the sales tax holiday to provide tax relief for citizens recovering from Hurricane Delta.