

2022 Regular Session

HOUSE BILL NO. 438

BY REPRESENTATIVES BACALA, HARRIS, AND MCFARLAND

TAX/SALES-USE, STATE: Reduces the rate of the state sales and use tax

1 AN ACT

2 To amend and reenact R.S. 47:321.1(A), (B), and (C), relative to state sales and use taxes;  
3 to provide for the tax rate; to provide for an effective date; and to provide for related  
4 matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:321.1(A), (B), and (C) are hereby amended and reenacted to read  
7 as follows:

8 §321.1. Imposition of tax

9 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and  
10 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an  
11 additional tax upon the sale at retail, the use, the consumption, the distribution, and  
12 the storage for use or consumption in this state of each item or article of tangible  
13 personal property as defined in Chapter 2 of this Subtitle. The levy of the tax shall  
14 be as follows:

15 (1)(a) At the rate of forty-five hundredths of one percent of the sales price  
16 of each item or article of tangible personal property when sold at retail in this state,  
17 the tax to be computed on gross sales for the purpose of remitting the amount of tax  
18 to the state, and to include each and every retail sale.

1           (b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
2           beginning July 1, 2023, through June 30, 2024, at the rate of thirty hundredths of one  
3           percent of the sales price of each item or article of tangible personal property when  
4           sold at retail in this state, the tax to be computed on gross sales for the purpose of  
5           remitting the amount of tax to the state, and to include each and every retail sale.

6           (c) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
7           beginning July 1, 2024, through June 30, 2025, at the rate of fifteen hundredths of  
8           one percent of the sales price of each item or article of tangible personal property  
9           when sold at retail in this state, the tax to be computed on gross sales for the purpose  
10           of remitting the amount of tax to the state, and to include each and every retail sale.

11           (2)(a) At the rate of forty-five hundredths of one percent of the cost price of  
12           each item or article of tangible personal property when the same is not sold but is  
13           used, consumed, distributed, or stored for use or consumption in this state, provided  
14           that there shall be no duplication of the tax.

15           (b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
16           beginning July 1, 2023, through June 30, 2024, at the rate of thirty hundredths of one  
17           percent of the cost price of each item or article of tangible personal property when  
18           the same is not sold but is used, consumed, distributed, or stored for use or  
19           consumption in this state, provided that there shall be no duplication of the tax.

20           (c) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
21           beginning July 1, 2024, through June 30, 2025, at the rate of fifteen hundredths of  
22           one percent of the cost price of each item or article of tangible personal property  
23           when the same is not sold but is used, consumed, distributed, or stored for use or  
24           consumption in this state, provided that there shall be no duplication of the tax.

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

1           (1)(a) At the rate of forty-five hundredths of one percent of the gross  
2 proceeds derived from the lease or rental of tangible personal property, 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           (b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
7 beginning July 1, 2023, through June 30, 2024, at the rate of thirty hundredths of one  
8 percent of the gross proceeds derived from the lease or rental of tangible personal  
9 property, as defined in Chapter 2 of this Subtitle, where the lease or rental of such  
10 property is in an established business, or part of an established business, or the same  
11 is incidental or germane to the business.

12           (c) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
13 beginning July 1, 2024, through June 30, 2025, at the rate of fifteen hundredths of  
14 one percent of the gross proceeds derived from the lease or rental of tangible  
15 personal property, as defined in Chapter 2 of this Subtitle, where the lease or rental  
16 of such property is in an established business, or part of an established business, or  
17 the same is incidental or germane to the business.

18           (2)(a) At the rate of forty-five hundredths of one percent of the monthly lease  
19 or rental price paid by a lessee or rentee, or contracted or agreed to be paid by a  
20 lessee or rentee to the owner of the tangible personal property.

21           (b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
22 beginning July 1, 2023, through June 30, 2024, at the rate of thirty hundredths of one  
23 percent of the monthly lease or rental price paid by a lessee or rentee, or contracted  
24 or agreed to be paid by a lessee or rentee to the owner of the tangible personal  
25 property.

26           (c) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
27 beginning July 1, 2024, through June 30, 2025, at the rate of fifteen hundredths of  
28 one percent of the monthly lease or rental price paid by a lessee or rentee, or

1       contracted or agreed to be paid by a lessee or rentee to the owner of the tangible  
2       personal property.

3               C. In addition to the tax levied on sales of services by R.S. 47:302(C),  
4       321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle,  
5       there is hereby levied a tax upon all sales of services in this state, as those services  
6       are defined by Chapter 2 of this Subtitle; . The levy of the tax shall be as follows:

7               (a) At ~~at~~ the rate of forty-five hundredths of one percent of the amounts paid  
8       or charged for the services.

9               (b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
10       beginning July 1, 2023, through June 30, 2024, at the rate of thirty hundredths of one  
11       percent of the amounts paid or charged for the services.

12              (c) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
13       beginning July 1, 2024, through June 30, 2025, at the rate of fifteen hundredths of  
14       one percent of the amounts paid or charged for the services.

15    \*       \*       \*

16       Section 2. This Act shall become effective on July 1, 2022.

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 438 Engrossed                               2022 Regular Session                               Bacala

**Abstract:** Reduces the rate of the temporary state sales and use tax from 0.45% to 0.15% over a two-year period beginning July 1, 2023, through June 30, 2025.

Present law imposes a 0.45% state sales and use tax on the sale, use, consumption, storage, or lease of tangible personal property and certain services in La. The imposition of the tax expires on June 30, 2025.

Proposed law reduces the rate of the temporary state sales and use tax levy from 0.45% to 0.15% over a two-year period as follows:

- (1)     Beginning July 1, 2023, through June 30, 2024, from .45% to 0.30% .
- (2)     Beginning July 1, 2024, through June 30, 2025, from .30% to 0.15% .

Present law establishes a variety of exclusions and exemptions applicable to state sales and use tax.

Proposed law retains present law.

Effective July 1, 2022.

(Amends R.S. 47:321.1(A), (B), and (C))

Summary of Amendments Adopted by House

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

1. Change the reduction in the temporary state sales tax rate from a one-time reduction of .010% to a 0.30% reduction over a two-year period beginning July 1, 2023, through June 30, 2025, by reducing the rate 0.15% each year beginning on July 1 of each year.