

2023 Regular Session

HOUSE BILL NO. 204

BY REPRESENTATIVE DEVILLIER

TAX/SALES-USE, ST-EXEMPT: Provides relative to the state sales and use tax exemptions for food for home consumption, residential utilities, and prescription drugs

1 AN ACT

2 To amend and reenact R.S. 47:302(BB)(1) through (5), 321(P)(1) through (5), 321.1(I)(1)

3 through (5), and 331(V)(1) through (5) and to enact R.S. 47:305(D)(1)(v), relative

4 to state sales and use tax; to provide relative to the state sales and use tax exemptions

5 for food for home consumption, certain utilities for residential use, and prescription

6 drugs; to establish in statute the constitutional sales and use tax exemption for

7 electricity sold directly to the consumer for residential use; to revise citations of law

8 associated with certain state sales and use tax exemptions; and to provide for related

9 matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:302(BB)(1) through (5), 321(P)(1) through (5), 321.1(I)(1)

12 through (5), and 331(V)(1) through (5) are hereby amended and reenacted and R.S.

13 47:305(D)(1)(v) is hereby enacted to read as follows:

14 §302. Imposition of tax

15 \* \* \*

16 BB. Notwithstanding any other provision of law to the contrary, including

17 but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,

18 through June 30, 2025, there shall be no exemptions and no exclusions to the tax

1 levied pursuant to the provisions of this Section, except for the retail sale, use,  
2 consumption, distribution, or storage for use or consumption of the following:

3 (1) Food for home consumption as defined and provided for in R.S.  
4 47:305(D)(1)(n) through (r) on January 1, 2003, ~~as provided in Article VII, Section~~  
5 ~~2.2 of the Constitution of Louisiana.~~

6 (2) Natural gas as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
7 ~~Louisiana~~ R.S. 47:305(D)(1)(g).

8 (3) Electricity as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
9 ~~Louisiana~~ R.S. 47:305(D)(1)(v).

10 (4) Water as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
11 ~~Louisiana~~ R.S. 47:305(D)(1)(c).

12 (5) Prescription drugs as provided in ~~Article VII, Section 2.2 of the~~  
13 ~~Constitution of Louisiana~~ R.S. 47:305(D)(1)(j).

14 \* \* \*

15 §305. Exclusions and exemptions from the tax

16 \* \* \*

17 D.(1) The sale at retail, the use, the consumption, the distribution, and the  
18 storage to be used or consumed in the taxing jurisdiction of the following tangible  
19 personal property is hereby specifically exempted from the tax imposed by taxing  
20 authorities, except as otherwise provided in this Paragraph:

21 \* \* \*

22 (v) Solely for purposes of the state sales and use tax, electricity sold directly  
23 to the consumer for residential use.

24 \* \* \*

25 §321. Imposition of tax

26 \* \* \*

27 P. Notwithstanding any other provision of law to the contrary, including but  
28 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
29 through June 30, 2025, there shall be no exemptions and no exclusions to the tax

1 levied pursuant to the provisions of this Section, except for the retail sale, use,  
2 consumption, distribution, or storage for use or consumption of the following:

3 (1) Food for home consumption as defined and provided for in R.S.  
4 47:305(D)(1)(n) through (r) on January 1, 2003, ~~as provided in Article VII, Section~~  
5 ~~2.2 of the Constitution of Louisiana.~~

6 (2) Natural gas as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
7 ~~Louisiana~~ R.S. 47:305(D)(1)(g).

8 (3) Electricity as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
9 ~~Louisiana~~ R.S. 47:305(D)(1)(v).

10 (4) Water as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
11 ~~Louisiana~~ R.S. 47:305(D)(1)(c).

12 (5) Prescription drugs as provided in ~~Article VII, Section 2.2 of the~~  
13 ~~Constitution of Louisiana~~ R.S. 47:305(D)(1)(j).

14 \* \* \*

15 §321.1. Imposition of tax

16 \* \* \*

17 I. Notwithstanding any other provision of law to the contrary, including but  
18 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
19 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
20 levied pursuant to the provisions of this Section, except for the retail sale, use,  
21 consumption, distribution, or storage for use or consumption of the following:

22 (1) Food for home consumption as defined and provided for in R.S.  
23 47:305(D)(1)(n) through (r) on January 1, 2003, ~~as provided in Article VII, Section~~  
24 ~~2.2 of the Constitution of Louisiana.~~

25 (2) Natural gas as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
26 ~~Louisiana~~ R.S. 47:305(D)(1)(g).

27 (3) Electricity as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
28 ~~Louisiana~~ R.S. 47:305(D)(1)(v).

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

1           (4) Water as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
2           Louisiana R.S. 47:305(D)(1)(c).

3           (5) Prescription drugs as provided in ~~Article VII, Section 2.2 of the~~  
4           ~~Constitution of Louisiana~~ R.S. 47:305(D)(1)(j).

5   \*       \*       \*

6           §331. Imposition of tax

7   \*       \*       \*

8           V. Notwithstanding any other provision of law to the contrary, including but  
9           not limited to any contrary provisions of this Chapter, beginning July 1, 2018,  
10           through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
11           levied pursuant to the provisions of this Section, except for the retail sale, use,  
12           consumption, distribution, or storage for use or consumption of the following:

13           (1) Food for home consumption as defined and provided for in R.S.  
14           47:305(D)(1)(n) through (r) on January 1, 2003, ~~as provided in Article VII, Section~~  
15           ~~2.2 of the Constitution of Louisiana.~~

16           (2) Natural gas as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
17           Louisiana R.S. 47:305(D)(1)(g).

18           (3) Electricity as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
19           Louisiana R.S. 47:305(D)(1)(v).

20           (4) Water as provided in ~~Article VII, Section 2.2 of the Constitution of~~  
21           Louisiana R.S. 47:305(D)(1)(c).

22           (5) Prescription drugs as provided in ~~Article VII, Section 2.2 of the~~  
23           ~~Constitution of Louisiana~~ R.S. 47:305(D)(1)(j).

24   \*       \*       \*

25           Section 2. This Act shall take effect and become operative if and when the proposed  
26           amendment of Article VII of the Constitution of Louisiana contained in the Act which  
27           originated as House Bill No. \_\_\_ of this 2023 Regular Session of the Legislature is adopted  
28           at a statewide election and becomes effective.

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

## 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 204 Original

2023 Regular Session

DeVillier

**Abstract:** Codifies in statute the constitutional sales and use tax exemption for electricity sold directly to the consumer for residential use; revises citations of law associated with sales and use tax exemptions for other residential utilities, food for home consumption, and prescription drugs.

Present law imposes a state sales and use tax on the sale, use, lease, or rental of tangible personal property, which tax is composed of the following provisions of present law imposing levies in the following amounts:

R.S. 47:302	.....	2.00%
R.S. 47:321	.....	1.00%
R.S. 47:321.1	.....	0.45%
R.S. 47:331	.....	0.97%
R.S. 51:1286	.....	0.03%

Present constitution (Const. Art. VII, §2.2(B)) establishes exemptions from the state sales and use tax for food for home consumption; natural gas, electricity, and water sold directly to the consumer for residential use; and prescription drugs. Except for the exemption for electricity, each of these exemptions is also established as a statutory exemption within present law.

Proposed law establishes in statute the sales and use tax exemption for electricity sold directly to the consumer for residential use provided for in present constitution.

Effective if and when the amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. \_\_\_ of this 2023 R.S., which proposes to repeal constitutional protections for the exemptions addressed in present law and proposed law, is adopted at a statewide election and becomes effective.

(Amends R.S. 47:302(BB)(1)-(5), 321(P)(1)-(5), 321.1(I)(1)-(5), and 331(V)(1)-(5); Adds R.S. 47:305(D)(1)(v))