

2023 Regular Session

HOUSE BILL NO. 257

BY REPRESENTATIVE WRIGHT

TAX/SALES & USE: Reduces the state sales and use tax rate and extends sales and use taxes to digital goods delivered into Louisiana

1 AN ACT

2 To amend and reenact R.S. 47:301(4)(introductory paragraph), to enact R.S. 47:301(32), and  
3 to repeal R.S. 47:321.1, relative to sales and use tax; to provide for the rate of the  
4 state sales and use tax; to provide for certain definitions; to extend state and local  
5 sales and use taxes to certain digital goods delivered into Louisiana; to provide for  
6 an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:301(4)(introductory paragraph) is hereby amended and reenacted  
9 and R.S. 47:301(32) is hereby enacted to read as follows:

10 §301. Definitions

11 As used in this Chapter, the following words, terms, and phrases have the  
12 meanings ascribed to them in this Section, unless the context clearly indicates a  
13 different meaning:

14 \* \* \*

15 (4) "Dealer" includes every person who manufactures or produces tangible  
16 personal property or who delivers digital goods into this state for sale at retail, for  
17 use, or consumption, or distribution, or for storage to be used or consumed in a  
18 taxing jurisdiction. "Dealer" is further defined to mean:

19 \* \* \*

1           (32)(a) "Digital goods" for purposes of sales and use taxes imposed by the  
2           state and any political subdivision of the state shall be considered tangible personal  
3           property and shall mean and include all of the following:

4           (i) Digital products or prewritten computer software delivered electronically  
5           to an end user, regardless of whether the end user receives permanent or temporary  
6           rights to access or utilize the product or software or whether the end user is required  
7           to make continued payments for the rights or access.

8           (ii) Digital products or prewritten computer software in which a person may  
9           be permitted rights for access or use and possession is maintained by the seller or a  
10          third party, regardless of whether charges for access or utilization are per use, per  
11          user, per license, or by subscription.

12          (iii) Digital codes.

13          (iv) Rights, licenses, or benefits delivered electronically to enhance,  
14          maintain, update, renew, upgrade, or expand benefits for digital products or  
15          prewritten computer software.

16          (b) For purposes of this Paragraph the following words have the following  
17          meanings:

18          (i) Digital code shall mean a key, activation, or enabling code that provides  
19          the purchaser with a right or access to obtain one or more digital products that may  
20          be obtained by any means including electronic delivery or any tangible means.

21          Digital code shall not include a code that represents stored monetary value that is  
22          deducted from a total as it is used by the purchaser, or a redeemable card, gift card,  
23          or gift certificate that entitles the holder of the instrument to select specified digital  
24          products of an indicated cash value.

25          (ii) Digital product shall include the following:

26          (aa) Digital audiovisual works.

27          (bb) Digital audio works.

28          (cc) Digital books.

29          (dd) Digital artwork.



Proposed law provides that for purposes of sales and use taxes imposed by the state and political subdivisions, "digital goods" shall be considered tangible personal property and shall be defined as all of the following:

- (1) Digital products or prewritten computer software delivered electronically to an end user, regardless of whether the end user receives permanent or temporary rights to access or utilize the product or software or whether the end user is required to make continued payments for the rights or access.
- (2) Digital products or prewritten computer software in which a person may be permitted rights for access or use and possession is maintained by the seller or a third party, regardless of whether charges for access or utilization are per use, per user, per license, or by subscription.
- (3) Digital codes.
- (4) Rights, licenses, or benefits delivered electronically to enhance, maintain, update, renew, upgrade, or expand benefits for digital products or prewritten computer software.

Proposed law defines a "digital code" as a key, activation, or enabling code that provides the purchaser with a right or access to obtain one or more digital products that may be obtained by any means including electronic or tangible means. Digital code shall not include a code that represents stored monetary value that is deducted from a total as it sued by the purchaser or a redeemable card, gift card, or gift certificate that entitles the holder of the instrument to select specified digital products of an indicated cash value.

Proposed law provides that a "digital product" shall include the following:

- (1) Digital audiovisual works.
- (2) Digital audio works.
- (3) Digital books.
- (4) Digital artwork.
- (5) Digital photographs.
- (6) Digital periodicals.
- (7) Digital newspapers.
- (8) Digital magazines.
- (9) Digital video greeting cards.
- (10) Audio greeting cards.
- (11) Digital greeting cards or invitations.
- (12) Video games.

Effective July 1, 2023.

(Amends R.S. 47:301(4)(intro. para.); Adds R.S. 47:301(32); Repeals R.S. 47:321.1)