

2024 Third Extraordinary Session

HOUSE BILL NO. 9

BY REPRESENTATIVE RISER

TAX/SALES & USE: Provides for sales and use tax on certain services (Items #8 and 13)

1 AN ACT

2 To amend and reenact R.S. 47:301(14)(introductory paragraph), to enact R.S.
3 47:301(4)(f)(iv), 301.3, and 1603(D), and to repeal R.S. 47:301(14)(a) through (k)
4 and (29)(x)(viii), relative to sales and use tax; to provide for definitions; to provide
5 for sales and use tax on certain services; to provide for certain exemptions from sales
6 and use tax; to provide for effectiveness; to provide for applicability; and to provide
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:301(14)(introductory paragraph) is hereby amended and reenacted
10 and R.S. 47:301(4)(f)(iv), 301.3, and 1603(D) are hereby enacted to read as follows:

11 §301. Definitions

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

15 * * *

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

20 * * *

1 (f)

2 * * *

3 (iv)(aa) Solely for purposes of the sale of services which were not subject to
4 sales and use tax in this state prior to January 1, 2025, the term "dealer" shall not
5 include any person who sells a taxable service and whose gross revenue from the sale
6 of services does not exceed, or is not reasonably expected to exceed, ten thousand
7 dollars during the current calendar year. When a person's gross revenue from the
8 sale of services which were not subject to sales and use tax in this state prior to
9 January 1, 2025, exceeds ten thousand dollars during a calendar year, the person
10 shall be deemed a dealer and shall be subject to the responsibilities and requirements
11 of registration, collection, reporting, and remittance of sales tax on all sales of
12 services occurring thereafter.

13 (bb) The exception provided for in Subitem (aa) of this Item shall not apply
14 to any person who, in addition to selling services, sells tangible personal property or
15 taxable digital products or any person whose gross revenue from the sale of services
16 exceeded ten thousand dollars in any previous calendar year.

17 * * *

18 (14) "Sales of services" means the furnishing, receiving, or sale of one or
19 more of the services provided for in this Chapter for a consideration. ~~and includes~~
20 ~~the following:~~

21 * * *

22 §301.3. Services

23 A. For purposes of this Section, the following terms shall have the meanings
24 ascribed to them in this Subsection unless the context indicates otherwise:

25 (1) "Accommodations intermediary" means a person other than the owner,
26 operator, or manager of a room, suite, hotel, condominium, townhouse, rental house,
27 or other accommodation.

28 (2) "Capital improvement" means one or more of the following:

29 (a) New construction or reconstruction.

- 1 (b) Residential or commercial remodeling.
- 2 (c) Industrial facility remodeling.
- 3 (d) Performance of work that requires the issuance of a permit, other than
4 repair or replacement of electrical components, gas logs, water heaters, and similar
5 individual items that are not part of new construction, reconstruction, or remodeling.
- 6 (e) Installation of a transmission, distribution, or other network asset on
7 immovable property owned by a service provider or on a right-of-way or easement
8 in favor of a service provider. For purposes of this Subparagraph, the term "service
9 provider" means a person, including a governmental entity, who provides any of the
10 following services:
- 11 (i) Telecommunications service or ancillary services.
- 12 (ii) Video programming.
- 13 (iii) Electricity or piped natural gas.
- 14 (iv) Water or sewer service.
- 15 (f) Installation of equipment or a fixture that is attached to immovable
16 property and that meets one or more of the following conditions:
- 17 (i) It is capitalized and depreciated as required by Generally Accepted
18 Accounting Principles or International Financial Reporting Standards.
- 19 (ii) It is depreciated for federal income tax purposes under the Internal
20 Revenue Code.
- 21 (iii) It is expensed under I.R.C. §179.
- 22 (g) Painting or wallpapering of immovable property, except where painting
23 or wallpapering is incidental to the repair, maintenance, and installation services.
- 24 (h) Replacement or installation of a septic tank system, siding, roof,
25 plumbing, electrical, commercial refrigeration, irrigation, sprinkler, or other similar
26 system. The term does not include the repair, replacement, or installation of electrical
27 or plumbing components, water heaters, gutters, and similar individual items that are
28 not part of new construction, reconstruction, or remodeling.

1 (i) Replacement or installation of a heating or air conditioning unit or a
2 heating, ventilation, or air conditioning system. The term does not include the repair,
3 replacement, or installation of gas logs, water heaters, pool heaters, and similar
4 individual items that are not part of new construction, reconstruction, or remodeling.

5 (j) Replacement or installation of roads, driveways, parking lots, patios,
6 decks, and sidewalks.

7 (k) Services performed to resolve an issue that was part of an immovable
8 property contract if the services are performed within six months of completion of
9 the immovable property contract or, for new construction, within twelve months of
10 the new structure being occupied for the first time.

11 (l) An addition or alteration to immovable property that is permanently
12 affixed or installed to immovable property and is not an activity specifically listed
13 in Paragraph (B)(16) of this Section as repair, maintenance, and installation services.

14 (3) "Coin-operated" means that activation and operation of a device occurs
15 pursuant to a purchaser providing the device with a payment or payment indicator.
16 Examples of coin-operated devices include but are not limited to devices that can be
17 operated pursuant to insertion of a coin, paper currency, credit card, or token,
18 swiping of a card, entering of a code, or remittance of an electronic payment.

19 (4) "Furnishing" means providing, brokering, coordinating, making available
20 for, or otherwise arranging for the sale or use of a taxable service provided for in
21 Paragraph (B)(1) or (B)(2) of this Section.

22 (5) "Immovable property contract" means a contract between an immovable
23 property contractor and another person to perform a capital improvement to
24 immovable property.

25 (6) "Industrial facility remodeling" means an improvement to a
26 manufacturing or processing production unit in a petrochemical refinery or chemical
27 plant that provides increased capacity in the production unit. For purposes of this
28 Paragraph, "increased capacity" means the capability to produce additional products

1 or services, as measured by units per hour or units per year, or to produce a new
2 product or service.

3 (7) "Information services" means all of the following:

4 (a) Collecting, compiling, analyzing, or furnishing of information of any
5 kind, including but not limited to general or specialized news, other current
6 information, or financial information by printed, mimeographed, electronic, or
7 electrical transmission, or by utilizing wires, cable, radio waves, microwaves,
8 satellites, fiber optics, or any other method now in existence or which may be
9 devised; this includes delivering or providing access to information through
10 databases or subscriptions.

11 (b) Electronic data retrieval or research.

12 (8) "Lobbying services" means the act of promoting or securing passage of
13 legislation or an attempt to influence a public official or other public servant toward
14 a desired action, including but not limited to the support of or opposition to a project
15 or the passage, amendment, defeat, approval, or veto of any legislation, regulation,
16 rule, or ordinance.

17 (9) "New construction" means construction of or site preparation for a
18 permanent new building, structure, or fixture on immovable property or an increase
19 in the square footage of an existing building, structure, or fixture on immovable
20 property.

21 (10) "Private investigation services" means any investigation conducted for
22 purposes of providing information related to any of the following:

23 (a) A crime or wrong committed, assumed to have been committed, or
24 threatened to be committed.

25 (b) The identity, habits, conduct, movement, location, affiliations,
26 associations, transactions, reputation, or character of any person.

27 (c) The credibility of a witness or of any other individual.

28 (d) The location of a missing individual.

29 (e) The location or recovery of lost or stolen property.

1 (f) The origin, cause of, or responsibility for a fire, accident, damage to or
2 loss of property, or injury to an individual, regardless of who conducts the
3 investigation.

4 (g) The affiliation, connection, or relation of any person with an organization
5 or other person.

6 (h) The activities, conduct, efficiency, loyalty, or honesty of any employee,
7 agent, contractor, or subcontractor.

8 (i) The financial standing, creditworthiness, or financial responsibility of any
9 person.

10 (j) Securing evidence for use before any investigating committee, board of
11 award, or board of arbitration, or for use in a trial of any civil or criminal cause.

12 (k) Conducting polygraph testing.

13 (l) Conducting background checks on prospective employees or tenants.

14 (m) Conducting background checks on individuals by or at the request of an
15 insurance company for workers' compensation purposes.

16 (11) "Reconstruction" means to rebuild or construct again a prior existing
17 permanent building, structure, or fixture on immovable property and may include a
18 change in the square footage from the prior existing building, structure, or fixture on
19 immovable property.

20 (12)(a) "Residential or commercial remodeling" means a transaction
21 comprised of multiple services performed by one or more persons to restore,
22 improve, alter, or update immovable property, other than an industrial facility, that
23 may otherwise be subject to tax as repair, maintenance, and installation services if
24 separately performed. The term "remodeling" includes a transaction for services by
25 which the internal structure or design of one or more rooms or areas within a room
26 or building are substantially changed.

27 (b) The term "remodeling" does not include a single service that is included
28 in repair, maintenance, and installation services. The term does not include a
29 transaction where the true purpose is repair, maintenance, and installation services

1 no matter that another service included in repair, maintenance, and installation
2 services is performed that is incidental to the true purpose of the transaction such as
3 repair of sheetrock that includes applying paint, replacement of cabinets that includes
4 installation of caulk or molding, and the installation of hardwood floors that includes
5 installation of shoe molding.

6 (13) "Security, protection, and bodyguard services" means any activity that
7 a person performs for compensation as a security guard to protect any individual or
8 property and is provided on the premises of a person's residential or commercial
9 property.

10 (14) "Security and alarm system monitoring" means monitoring of an
11 electronically controlled burglar or fire alarm system for any residential or
12 commercial property or responding to a distress call or an alarm sounding from a
13 security system.

14 (15) "Transient guests" means individuals who rent accommodations other
15 than their regular place of abode on less than a month-to-month basis.

16 B. For purposes of the impositions levied pursuant to this Chapter and
17 Chapters 2-A and 2-B of this Subtitle, the following services shall be subject to state
18 and local sales and use tax:

19 (1) The rental or furnishing of sleeping rooms, cottages, cabins, rooms,
20 suites, condominiums, townhouses, rental houses, or other accommodations by
21 hotels, apartment hotels, lodging houses, tourist camps, tourist courts, property
22 management companies, accommodations intermediaries, or any other provider or
23 seller of accommodations to transient guests. The sales price shall include service
24 fees and charges, facilitator fees and charges, and other similar fees and charges.

25 (2) The furnishing of admissions which shall include sales of tickets, and
26 fees or other charges, for admission to places of amusement, recreational events,
27 entertainment, exhibitions, displays, and athletic entertainment, and charges made
28 for participation in games and amusement activities. This service shall include the
29 furnishing, for dues, fees, or other consideration, of the privilege of access to clubs,

1 including buyer's clubs, or the privilege of having access to or the use of amusement,
2 entertainment, athletic, or recreational facilities. This service shall also include
3 coin-operated amusement devices including but not limited to massage chairs, video
4 games, pinball games, table games such as billiards and air hockey, and redemption
5 games such as the claw and skeet ball that may award prizes of tangible personal
6 property. The sales price shall include any service, facility, processing, delivery, or
7 facilitator fees.

8 (3) Parking, storing, or keeping of motor vehicles, including but not limited
9 to valet services, the use of parking spaces, parking lots, and parking structures, and
10 charges for street parking at metered spaces.

11 (4) Printing and copying services, including but not limited to printing or
12 overprinting, lithographic, multilith, blue printing, photostating, or other similar
13 services of reproducing written or graphic matter, and copying, photocopying,
14 reproducing, duplicating, and other similar services including those services
15 provided in coin-operated, self-service form.

16 (5) Laundry, cleaning, pressing, alterations, repair, and dyeing services,
17 including but not limited to the cleaning and renovation of clothing, furs, linens,
18 furniture, carpets, and rugs, and the furnishing of storage space for clothing, furs, and
19 rugs. The service shall be taxable at the location where the laundered, cleaned,
20 pressed, or dyed article is returned to the customer.

21 (6) Telecommunications services for compensation, in accordance with the
22 provisions of R.S. 47:301.1.

23 (7) Storage provided for boats and vessels of less than fifty tons load
24 displacement and trailers.

25 (8) Auto club services and fees including but not limited to road and travel
26 services.

27 (9) Car wash services including but not limited to washing, waxing,
28 polishing, vacuuming, and detailing of motor vehicles.

1 (10) Coin-operated service machines, which shall include coin-operated
2 machines or devices that only dispense services and do not dispense merchandise,
3 music, skill, or pleasure such as machines that provide scales, shoeshines, lockers,
4 car washes, compressed air, or vacuum cleaning.

5 (11) Installation, repair, and maintenance of taxable computer software, and
6 related training.

7 (12) Condominium timeshare and exchange services.

8 (13) Dating and social matching services and marriage bureaus.

9 (14) Delivery, shipping, freight, and transportation services associated with
10 or arising by reason of a taxable sale or purchase of tangible personal property,
11 digital product, or services when charged by the retailer for the preparation and
12 delivery of an item to a location designated by the consumer, and which constitutes
13 part of the cost price as defined by R.S. 47:301(3) or sales price as defined by R.S.
14 47:301(13). Delivery, shipping, freight, and transportation services shall be sourced
15 in the same manner as the underlying taxable sale or purchase of the tangible
16 personal property, digital product, or service.

17 (15) Non-medical diet and weight reduction services including but not
18 limited to commercial weight loss services not prescribed by a healthcare provider.

19 (16)(a) Immovable property repair, maintenance, and installation services
20 shall include the following services and activities:

21 (i) Services to keep or attempt to keep property in working order to avoid
22 breakdown and prevent deterioration or repairs. Examples include but are not limited
23 to janitorial and other cleaning services; exterior building cleaning, including roof
24 washing and pressure washing; window cleaning; pest control; servicing in-ground
25 and in-building swimming pools; parking lot, garage, and recreation area
26 maintenance; exterior and interior trash removal; lighting maintenance; and chimney
27 and duct cleaning.

1 (ii) Services to calibrate, refinish, or restore, or attempt to calibrate, refinish,
2 or restore, property to proper working order or good condition. These services may
3 include replacing or putting together torn or broken property.

4 (iii) Services to troubleshoot, identify, or attempt to identify the source of a
5 problem for the purpose of determining what is needed to restore property to proper
6 working order or good condition. These services include activities that may lead to
7 the issuance of an inspection report.

8 (iv) Services to install, apply, connect, adjust, or set into position property.
9 These services shall include floor refinishing and the installation of carpet, flooring,
10 floor coverings, windows, doors, cabinets, countertops, and other installations where
11 the item being installed may replace a similar existing item. The replacement of
12 more than one of a like-kind item, such as replacing one or more windows, shall be
13 deemed a repair, maintenance, and installation service.

14 (v) Services to replace, alter, modify, or upgrade an existing industrial
15 facility, where there is no increased capacity. For purposes of this Item, "increased
16 capacity" means the capability to produce additional products or services, as
17 measured by units per hour or units per year, or to produce a new product or service.

18 (b) Immovable property repair, maintenance, and installation services shall
19 not include any of the following:

20 (i) Any service used to fulfill an immovable property contract as defined in
21 this Section.

22 (ii) Any installation defined in this Section as a capital improvement.

23 (iii)(aa) Maintenance services provided as part of a scheduled, periodic
24 shutdown of all or a part of industrial facility operations in order to perform work
25 necessary to sustain or support safe, efficient, continuous operations, or to prevent
26 the decline, failure, lapse, or deterioration of equipment in the facility if the charge
27 for labor is separately stated to the purchaser. Services to modify, upgrade, repair
28 or restore immovable property shall not qualify for the exclusion provided in this
29 Subparagraph regardless of whether the work is scheduled or periodic.

1 (bb) To qualify for the exclusion provided for in this Subparagraph, the
2 maintenance shall be anticipated and designated to occur within a given time period,
3 production level, or production volume and shall be ongoing or continual, occurring
4 at intervals of time, production level, or production volume that are reasonably
5 predictable. Deviations from the designated time period, production level, or
6 production volume due to a force majeure shall not disqualify the maintenance from
7 the exclusion provided for in this Subparagraph if the deviation is reasonable and is
8 a direct result of the force majeure.

9 (iv)(aa) The labor to repair immovable property within a disaster area if the
10 property is damaged by the condition or occurrence that caused the area to be
11 declared a disaster area and the charge for the labor is separately stated to the
12 customer.

13 (bb) For purposes of this Item, "disaster area" means a geographic area in
14 which a disaster or emergency has been declared by the governor pursuant to R.S.
15 29:724 or by the President of the United States pursuant to 42 U.S.C. 5141.

16 (17)(a) Information services, which shall include all of the following:

17 (i) Furnishing newsletters; tax guides; research publications; financial,
18 investment, circulation, credit, stock market, or bond rating reports; mailing lists;
19 abstracts of title; news clipping services; wire services; scouting reports; surveys;
20 bad check lists; and broadcast rating services.

21 (ii) Subscriptions to genealogical, financial, or similar databases.

22 (iii) Global positioning system services including driving directions and
23 sports, news, and similar information provided through satellite audio programming
24 services.

25 (b) Information services shall not include any of the following:

26 (i) Information sold to a newspaper or a radio or television station licensed
27 by the Federal Communication Commission, if the information is gathered or
28 purchased for direct use in newspapers or radio or television broadcasts.

1 (ii) Charges to a person by a financial institution for account balance
2 information; or information gathered or compiled on behalf of a particular client, if
3 the information is of a proprietary nature to that client and may not be sold to others
4 by the person who compiled the information, except for a subsequent sale of the
5 information by the client for whom the information was gathered or compiled.

6 (iii) Internet access service or information services that are provided in
7 conjunction with and merely incidental to the provision of internet access service
8 when provided for a single charge.

9 (18) Interior decorating and design services.

10 (19) Intrastate limousine, bus, and van transportation services and taxi cab
11 and rideshare services.

12 (20) Landscaping, lawn care, and horticultural services, including but not
13 limited to lawn care and maintenance services; tree trimming, pruning, or removal
14 services; landscape design and installation services; and landscape care and
15 maintenance services.

16 (21) Linen supply services including but not limited to table, bath, and bed
17 linen supply services and uniform supply services.

18 (22) Lobbying services.

19 (23) Machine and equipment operator services provided with machine or
20 equipment rental.

21 (24) Mailing services including applying postage, addressing, enclosing,
22 sealing, preparing for mailing, or mailing; presorting mail and packages by postal
23 code; address barcoding; tracking; delivery to postal service; private mailbox rentals;
24 and direct mail services, such as printed material delivered or distributed by United
25 States mail or other delivery service to a mass audience or to addressees on a mailing
26 list provided by the purchaser or at the direction of the purchaser if the cost of the
27 items is not billed directly to the recipients.

28 (25) Marina services provided with respect to boats and vessels of less than
29 fifty tons load displacement, including but not limited to fees for storage, mooring

1 or docking of vessels of all types and sizes both in-water or off-water, space or slip
2 rental fees, fees for putting a boat in or taking a boat out of water, and winterization
3 fees including but not limited to charges for shrink wrapping or installing a cover.

4 (26) Personal fitness training services including but not limited to instructor-
5 led recreational classes, one-on-one or group sports or recreation lessons, fitness
6 classes, and personal trainer exercise instruction.

7 (27) Pet grooming, boarding, sitting, training, and obedience services.

8 (28) Photography and photographic studio services, including sitting fees.

9 (29) Photofinishing and film development services including but not limited
10 to developing and printing original photographs, developing negatives, and tinting
11 or coloring pictures.

12 (30) Private process server services.

13 (31) Public opinion and research polling services.

14 (32) Quilting, embroidery, and monogramming services.

15 (33)(a) Repairs, maintenance, and installation of tangible personal property.

16 Repairs and maintenance include but are not limited to the repair and servicing of
17 automobiles, vehicles, boats and vessels, electrical and mechanical appliances and
18 equipment, farm machinery and implements, motors, tires, batteries, engineering
19 instruments, medical and surgical instruments, machinery, mechanical tools, shop
20 equipment, furniture, rugs, flooring, watches, clocks, jewelry, refrigerators, phones,
21 televisions, radios, shoes, including shoe shining, and office appliances and
22 equipment. This includes service call charges and trip or travel charges.

23 (b) For purposes of this Paragraph, "tangible personal property" includes
24 machinery, appliances, and equipment which have been declared immovable by
25 declaration under the provisions of Civil Code Article 467 and things which have
26 been separated from land, buildings, or other constructions permanently attached to
27 the ground or their component parts as defined in Civil Code Article 466.

28 (34) Repossession services.

29 (35) Restroom operations and comfort station services.

1 (36) Security services including locksmith, security and alarm system
2 monitoring, private investigation, background checks, transportation or delivery of
3 money, property, or valuables by armored car, security, protection, and bodyguard
4 services.

5 (37) Personal shopping services for individuals.

6 (38) Social event planning and coordination services and catering services.

7 (39) Spa services, massages by massage parlors, and steam baths.

8 (40) Rental of space for meetings, conventions, short-term business uses,
9 entertainment events, weddings, banquets, parties, and other short-term social events,
10 including but not limited to hotel conference rooms and ballrooms, convention center
11 space and related charges, picnic shelters, and other recreational spaces and dining
12 areas reserved for private parties.

13 (41) Furnishing of space for storage of tangible personal property by a
14 person engaged in the business of furnishing space for storage. Space for storage
15 shall not include storage for tangible personal property held for sale in the regular
16 course of business, or the lease or rental of an entire building such as a warehouse.

17 (42) Skin tanning services including but not limited to tanning booths,
18 tanning bed services, and spray tanning services.

19 (43) Body modification services including but not limited to tattooing,
20 piercing, scarification, and branding.

21 (44) Travel and travel package services including services of travel agents
22 and travel clubs.

23 (45)(a) Cable television services, direct-to-home satellite services, video
24 programming services, and satellite digital audio radio services.

25 (b) A provider of the services listed in Subparagraph (a) of this Paragraph
26 shall be allowed a credit against the sales tax imposed by a political subdivision as
27 provided in Subsection C of this Section.

28 (46) Warranty agreements, extended warranty agreements, and service
29 contracts, including service contract agreements between the contract provider and

1 the purchaser where the purchaser agrees to pay compensation for the contract and
2 the provider agrees to repair, replace, support, or maintain tangible personal
3 property, digital property, or real property according to the terms of the contract.

4 (47) Waste collection and disposal services. The collection and disposal of
5 solid waste resulting from the operation of residential, commercial, industrial,
6 governmental, or institutional establishments normally collected, processed, and
7 disposed of through a public or private solid waste management service shall not be
8 taxable.

9 (48) Wrecking and towing services.

10 C.(1) A provider of the services described in Paragraph (B)(45) of this
11 Section shall be entitled to a credit for the local franchise tax on its gross receipts
12 from cable service and video service. The credit shall be equal to the amount of local
13 franchise tax payable to a political subdivision pursuant to an ordinance adopted in
14 accordance with R.S. 45:1366 and passed through to subscribers.

15 (2) To apply the credit, the service provider shall collect tax from its
16 subscribers at the combined state and local applicable rate less the rate of the local
17 franchise tax payable on its gross receipts for cable and video service.

18 * * *

19 §1603. Waiver of penalty for delinquent filing or delinquent payment

20 * * *

21 D. The secretary shall waive any penalty assessed against a person pursuant
22 to R.S. 47:1602 or 1604.1 due to the failure to properly collect or report sales and use
23 tax imposed on a service which was not taxable prior to February 1, 2025. The
24 provisions of this Subsection shall not apply to any of the following:

25 (1) Any person who is required to report and remit sales and use tax prior
26 to February 1, 2025.

27 (2) Any penalties assessed for the failure to report or remit sales and use tax
28 which is actually collected.

1 Section 2. R.S. 47:301(14)(a) through (k) and (29)(x)(viii) are hereby repealed in
2 their entirety.

3 Section 3. The provisions of this Act shall apply to taxable periods beginning on or
4 after February 1, 2025.

5 Section 4. This Act shall become effective upon signature by the governor or, if not
6 signed by the governor, upon expiration of the time for bills to become law without signature
7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
8 vetoed by the governor and subsequently approved by the legislature, this Act shall become
9 effective on the day following such approval.

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 9 Engrossed

2024 Third Extraordinary Session

Riser

Abstract: Imposes sales and use tax upon an enumerated set of services.

Present law imposes a state sales and use tax upon the sale, use, lease, or rental of tangible personal property, and upon the sale of certain services, which tax is composed of the following 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 law terminates the 0.45% sales and use tax levy effective July 1, 2025.

Present law provides for general conformity of sales and use tax bases (the sets of goods and services subject to tax) of local taxing authorities with the state's sales and use tax base; but authorizes local taxing authorities, individually, to adopt certain sales and use tax exemptions for particular goods and services, allowing for dissimilarity between local bases and the state's base.

Present law imposes sales and use tax upon all tangible personal property which is not specifically exempted from such tax or excluded from the tax base by present law.

Present law does not impose sales and use tax upon services except for those specifically identified and enumerated in present law.

Proposed law retains and relocates provisions of present law identifying and enumerating services subject to state and local sales and use tax.

Proposed law adds to present law all of the following as services to which state and local sales and use tax shall apply:

- (1) Storage for boats and vessels of less than 50 tons load displacement and trailers.
- (2) Auto club services and fees including road and travel services.
- (3) Car wash services.
- (4) Coin-operated machines or devices that dispense only services and not merchandise, music, skill, or pleasure.
- (5) Installation, repair, and maintenance of taxable computer software, and related training.
- (6) Condominium timeshare and exchange services.
- (7) Dating and social matching services and marriage bureaus.
- (8) Delivery, shipping, freight, and transportation services associated with a taxable sale of tangible personal property.
- (9) Non-medical diet and weight reduction services including commercial weight loss services not prescribed by a healthcare provider.
- (10) Immovable property repair, maintenance, and installation services specified in proposed law (excluding new construction, reconstruction, and capital improvements as defined in proposed law).
- (11) Information services as defined in proposed law.
- (12) Interior decorating and design services.
- (13) Intrastate limousine, bus, and van transportation services and taxi cab and rideshare services.
- (14) Landscaping, lawn care, and horticulture services.
- (15) Linen supply services.
- (16) Lobbying services.
- (17) Machine and equipment operator services provided with machine or equipment rental.
- (18) Mailing services.
- (19) Marina services provided with respect to boats and vessels of less than 50 tons load displacement.
- (20) Personal fitness training services.
- (21) Pet grooming, boarding, sitting, training, and obedience services.
- (22) Photography and photographic studio services, including sitting fees.
- (23) Photofinishing and film development services.
- (24) Private process server services.
- (25) Public opinion and research polling services.

- (26) Quilting, embroidery, and monogramming services.
- (27) Repairs, maintenance, and installation of tangible personal property.
- (28) Repossession services.
- (29) Restroom operations and comfort station services.
- (30) Security services as defined in proposed law.
- (31) Personal shopping services for individuals.
- (32) Social event planning and coordination services and catering services.
- (33) Spa services, massages by massage parlors, and steam baths.
- (34) Rental of space for meetings, conventions, short-term business uses, entertainment events, weddings, banquets, parties, and other short-term social events.
- (35) With certain exceptions as provided in proposed law, furnishing of space for storage of tangible personal property by a person engaged in the business of furnishing storage space. (Expands present law on taxation of storage space which imposes sales tax only on the furnishing of cold storage.)
- (36) Skin tanning services.
- (37) Body modification services including tattooing, piercing, scarification, and branding.
- (38) Travel and travel package services including services of travel agents and travel clubs.
- (39) Cable television services, direct-to-home satellite services, video programming services, and satellite digital audio radio services.
- (40) Warranty agreements, extended warranty agreements, and service contracts.
- (41) With certain exceptions as provided in proposed law, waste collection and disposal services (excluding public or private municipal waste management)
- (42) Wrecking and towing services.

Present law requires that sales and use taxes on taxable goods and services be collected from any seller who qualifies as a "dealer" as defined in present law.

Proposed law stipulates that solely for purposes of the sale of services which were not subject to sales and use tax prior to Jan. 1, 2025, the term "dealer" shall not include any person who sells a taxable service and whose gross revenue from the sale of services does not exceed, or is not reasonably expected to exceed, \$10,000 during the current calendar year. Provides that when a person's gross revenue from the sale of services which were not subject to sales and use tax in this state prior to Jan. 1, 2025, exceeds \$10,000 during a calendar year, the person shall be deemed a dealer and shall be subject to the requirements of present law relative to collection, reporting, and remittance of sales tax. Provides, however, that the exemption from "dealer" status established by proposed law shall not apply to any of the following persons:

- (1) Any person who, in addition to selling services, sells tangible personal property or taxable digital products.

- (2) Any person whose gross revenue from the sale of services exceeded \$10,000 in any previous calendar year.

Present law provides that the defined term "telecommunications service", for purposes of the imposition of sales and use tax on such service, shall not include ancillary services. Proposed law repeals present law.

Proposed law authorizes a tax credit for providers of cable television services and direct-to-home satellite services for the local franchise tax on gross receipts from cable service and video service. Provide that the credit shall be equal to the amount of local franchise tax payable to a political subdivision pursuant to an ordinance adopted in accordance with present law and passed through to subscribers.

Proposed law requires the secretary of the Dept. of Revenue to waive penalties assessed against certain person pursuant to present law due to failure to properly collect or report sales and use tax imposed on a service which was not taxable prior to Feb. 1, 2025.

Proposed law applies to taxable periods beginning on or after Feb. 1, 2025.

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

(Amends R.S. 47:301(14)(intro. para.); Adds R.S. 47:301(4)(f)(iv), 301.3, and 1603(D); Repeals R.S. 47:301(14)(a)–(k) and (29)(x)(viii))

Summary of Amendments Adopted by House

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

1. Revise the definition of "accommodations intermediary" provided in proposed law to exclude hotel owners from that definition.
2. Expand part of the definition of "capital improvement" referring to remodeling, as provided in proposed law, to refer to both residential and commercial remodeling and industrial facility remodeling. Define "industrial facility remodeling for purposes of proposed law."
3. Stipulate that for purposes of proposed law, residential remodeling and commercial remodeling shall not include industrial facility remodeling.
4. Revise the definition of "furnishing" provided in proposed law.
5. Modify the description of delivery, shipping, freight, and transportation services that would become taxable pursuant to proposed law.
6. Include services to replace, alter, modify, or upgrade an existing industrial facility, where there is no increased capacity as defined in proposed law, within the set of immovable property repair, maintenance, and installation services that would become taxable pursuant to proposed law.
7. Revise the exclusions from immovable property repair, maintenance, and installation services to provide that, for purposes of proposed law, such services shall not include any of the following:
 - (a) Any service used to fulfill an immovable property contract as defined in proposed law.
 - (b) Any installation defined in proposed law as a capital improvement.

- (c) Maintenance services provided as part of a scheduled, periodic shutdown of all or a part of industrial facility operations in order to perform work necessary to sustain or support safe, efficient, continuous operations, or to prevent the decline, failure, lapse, or deterioration of equipment in the facility if the charge for labor is separately stated to the purchaser.
 - (d) The labor to repair immovable property within a state-declared or federally declared disaster area if the property is damaged by the condition or occurrence that caused the disaster declaration and the charge for the labor is separately stated to the customer.
- 8. Authorize a tax credit for providers of cable television services and direct-to-home satellite services for the local franchise tax on gross receipts from cable service and video service. Provide that the credit shall be equal to the amount of local franchise tax payable to a political subdivision pursuant to an ordinance adopted in accordance with present law and passed through to subscribers.
- 9. Require the secretary of the Dept. of Revenue to waive penalties assessed against certain person pursuant to present law due to failure to properly collect or report sales and use tax imposed on a service which was not taxable prior to Feb. 1, 2025.