

2025 Regular Session

HOUSE BILL NO. 578

BY REPRESENTATIVE EMERSON

TAX/SALES & USE: Provides with respect to state and local sales and use taxes and exemptions to those taxes

1 AN ACT
2 To amend R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i), and
3 (27)(x)(xi), 301.1(F), 301.3(7)(a) and (10)(a), 305.2(A)(5), 305.6(1) and (5),
4 305.7(A)(2), 305.33, 305.36(A), (B), and (C)(1), 305.75(A), 321(A), 321.1(A), (B),
5 and (C)(2), and 331(A) and (B) and R.S. 51:1286(A), to enact R.S. 47:301.3(11),
6 305(E)(4) and (L), 305.14, 305.18, 305.21, 305.22, and 305.64, and to repeal R.S.
7 47:301.6(B) and (C), 305.36(E), and 337.11.4, relative to sales and use tax; to
8 provide with respect to exemptions from sales and use taxes levied by taxing
9 authorities; to exempt certain services from sales and use tax; to provide for the
10 exemption for schools and education materials; to provide for the exemption for
11 certain intergovernmental transactions; to provide for exemptions for certain
12 nonprofit organizations; to provide for taxes on nongaming incentives or
13 inducements; to provide for an exemption for certain sickle cell disease
14 organizations; to provide for the exemption for transactions involving certain motor
15 vehicles; to provide for an exemption for qualifying radiation therapy treatment
16 centers; to provide with respect to the levies of certain taxes; to provide for taxes
17 levied on certain telecommunication and ancillary services; to provide for the
18 amount of sales and use taxes dedicated to tourism; to provide for definitions; to
19 provide for limitations and requirements; to authorize the refund of certain sales and

1 use taxes under certain circumstances; to provide for applicability, to provide for
2 effectiveness; and to provide for related matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i), and
5 (27)(x)(xi), 301.1(F), 301.3(7)(a) and (10)(a), 305.2(A)(5), 305.6(1) and (5), 305.7(A)(2),
6 305.33, 305.36(A), (B), and (C)(1), 305.75(A), 321(A), 321.1(A), (B), and (C)(2), and
7 331(A) and (B) are hereby amended and reenacted and R.S. 47:301.3(11), 305(E)(4) and (L),
8 305.14, 305.18, 305.21, 305.22, and 305.64 are hereby enacted to read as follows:

9 §301. Definitions

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

13 * * *

14 (3)(a) "Cost price" means the actual cost of the articles of tangible personal
15 property or digital products without any deductions therefrom on account of the cost
16 of materials used, labor, or service cost, including service costs for installation, and
17 transportation charges, or any other expenses whatsoever, or the reasonable market
18 value of the tangible personal property or digital product at the time it becomes
19 susceptible to the use tax, whichever is less. Cost price shall not include the amount
20 charged for labor or services rendered in installing, applying, remodeling, or
21 repairing property sold if such cost is separately billed to the customer at the time of
22 installation.

23 * * *

24 (4) "Dealer" includes every person who manufactures or produces tangible
25 personal property or digital products for sale at retail, for use, or consumption, or
26 distribution, or for storage to be used or consumed in a taxing jurisdiction. "Dealer"
27 is further defined to mean:

28 * * *

1 (d) The term "tangible personal property" shall not include work products
 2 which are written on paper, stored on magnetic or optical media, or transmitted by
 3 ~~electronic device~~ electronically, when such work products are created in the normal
 4 course of business by any person licensed or regulated by the provisions of Title 37
 5 of the Louisiana Revised Statutes of 1950, unless such work products are duplicated
 6 without modification for sale to multiple purchasers. This exclusion shall not apply
 7 to work products which consist of the creation, modification, updating, or licensing
 8 of computer software.

9 * * *

10 (18)(a)(i) ~~Solely for~~ For purposes of the imposition of ~~the state~~ sales and use
 11 tax levied by any taxing authority, "use" means and includes the exercise of any right
 12 or power over tangible personal property or digital products incident to the
 13 ownership thereof, except that it shall not include the sale at retail of those items of
 14 property or products in the regular course of business ~~or the donation to a school in~~
 15 ~~the state which meets the definition provided in R.S. 17:236 or to a public or~~
 16 ~~recognized independent institution of higher education in the state of property~~
 17 ~~previously purchased for resale in the regular course of a business. The term "use"~~
 18 ~~shall not include the purchase, the importation, the consumption, the distribution, or~~
 19 ~~the storage of automobiles to be leased in an arm's length transaction, nor shall the~~
 20 ~~term "use" include the donation of food items to a food bank as defined in R.S.~~
 21 ~~9:2799(B).~~

22 (ii) The term "use" applies to the first act within this state by which the
 23 taxpayer, as a consumer, views, accesses, downloads, possesses, stores, opens,
 24 manipulates, or otherwise enjoys, uses, or receives the benefits of a digital product,
 25 prewritten computer access service, or information service. Use includes access and
 26 use of digital products, prewritten computer access services, and information
 27 services that remain in the possession of the dealer or in the possession of a third
 28 party on behalf of the dealer.

29 * * *

1 (c)(i) Notwithstanding any other provision of law to the contrary, and except
2 as provided in Item (ii) of this Subparagraph, for purposes of state and political
3 subdivision sales and use tax, "use" means and includes the exercise of any right or
4 power over tangible personal property or digital products incident to the ownership
5 thereof.

6 * * *

7 (27) With respect to the furnishing of telecommunications and ancillary
8 services, as used in this Chapter the following words, terms, and phrases have the
9 meaning ascribed to them in this Paragraph, unless the context clearly indicates a
10 different meaning:

11 * * *

12 (x) "Telecommunications service" means the electronic transmission,
13 conveyance, or routing of voice, data, audio, video, or any other information or
14 signals to a point, or between or among points. "Telecommunications service"
15 includes the transmission, conveyance, or routing in which computer processing
16 applications are used to act on the form, code, or protocol of the content for purposes
17 of transmission, conveyance, or routing without regard to whether the service is
18 referred to as voice over internet protocol service or is classified by the Federal
19 Communications Commission as an enhanced or value-added service.
20 "Telecommunications service" does not include any of the following:

21 * * *

22 (ix) Digital products, including but not limited to software, music, video,
23 reading materials, or ring tones.

24 * * *

25 §301.1. Telecommunications and ancillary services

26 * * *

27 F.(1) Local political subdivisions shall be prohibited from levying a sales
28 and use tax on telecommunications services not in effect on July 1, 1990. However,
29 the provisions of this Paragraph shall not be construed to prohibit the levy or

1 collection of any franchise, excise, gross receipts, or similar tax or assessment by any
2 political subdivision of the state as defined in Article VI, Section 44 of the
3 Constitution of Louisiana.

4 (2) There is hereby levied an additional state sales and use tax upon all
5 telecommunications services, cable television services, direct-to-home satellite
6 services, video programming services, provided by cable television and satellite
7 service providers, and satellite digital audio radio services in this state, at the rate of
8 five percent of the amounts paid or charged for such services.

9 (3) The tax levied pursuant to this Subsection shall be paid in lieu of any
10 sales or use tax that would otherwise be levied and collected by a political
11 subdivision of this state.

12 (4) The taxes levied pursuant to this Subsection shall be administered and
13 collected by the secretary of the Department of Revenue. The secretary shall assess
14 an administration and collection fee, not to exceed one percent of the collections of
15 the tax, as reimbursement for the actual cost of collection of the tax.

16 (5) The tax levied in this Subsection shall be collected from the dealer, as
17 defined in this Chapter, shall be paid at the time and in the manner hereinafter
18 provided, and shall be in addition to all other taxes, whether levied in the form of
19 excise, license, or privilege taxes, and shall be in addition to taxes levied pursuant
20 to the provisions of Chapter 3 of this Subtitle.

21 (6) After allocation to the Bond Security and Redemption Fund as provided
22 in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall
23 deposit in and credit to the Local Revenue Fund the avails of the taxes collected
24 under this Subsection.

25 * * *

26 §301.3. Services

27 The sales and use tax levied by any taxing authority shall apply to the
28 following services:

29 * * *

1 (iv) Global positioning system services including driving directions and
2 sports, news, and similar information provided through satellite audio programming
3 services.

4 * * *

5 (11) Solely for purposes of state sales and use taxes, cable television
6 services, direct-to-home satellite services, video programming services provided by
7 cable television and satellite service providers, and satellite digital audio radio
8 services.

9 * * *

10 §305. Exemptions from the tax

11 * * *

12 E. The sale of the following services shall be exempt from the sales and use
13 tax imposed by any taxing authority:

14 * * *

15 (4) Charges for the furnishing of repairs to tangible personal property when
16 the repaired property is delivered to a common carrier or to the United States Postal
17 Service for transportation outside the state or delivered outside the state by use of the
18 repair dealer's own vehicle or by use of an independent trucker. However, the
19 delivery of aircraft may be made by the best available means. Offshore areas shall
20 not be considered another state for the purposes of this Subparagraph.

21 * * *

22 L. The lease or rental of motor vehicles by licensed motor vehicle dealers,
23 as defined in R.S. 32:1252(35) or vehicle manufacturers as defined in R.S.
24 32:1252(24), for their use in furnishing leased or rented motor vehicles to their
25 customers in performance of their obligations under warranty agreements associated
26 with the purchase of a motor vehicle or when the applicable warranty has lapsed and
27 the leased or rented motor vehicle is provided to the customer at no charge shall be
28 exempt from sales and use taxes levied by any taxing authority.

29 * * *

1 §305.2. Exemption; medical

2 A. The following items shall be exempt from the sales and use tax imposed
3 by the state:

4 * * *

5 (5) The tax imposed by R.S. 47:302(A) and 321 shall not apply to the sale
6 at retail, the use, the consumption, the distribution, and the storage of insulin, both
7 prescription and nonprescription to be used or consumed in this state, for personal
8 use or consumption; provided, however, that this exemption shall apply only to sales
9 taxes imposed by the state of Louisiana and shall not apply to such taxes authorized
10 and imposed by any school board, municipality, or other local taxing authority
11 notwithstanding any other provision of law to the contrary, ~~specifically but not~~
12 ~~exclusively R.S. 33:2716.1.1.~~

13 * * *

14 §305.6. Exemptions; schools and educational materials

15 The sales and use tax imposed by taxing authorities shall not apply to:

16 (1) The purchase, lease, or rental of educational ~~Educationa~~l materials or
17 equipment used for classroom instruction by approved parochial and private
18 elementary and secondary schools which comply with the court order from the Dodd
19 Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, limited to
20 books, workbooks, computers, computer software, films, videos, and audio tapes.

21 * * *

22 (5) The sale of admissions to athletic and entertainment events held for or
23 by public, parochial, and private elementary and secondary schools.

24 * * *

25 §305.7. Exclusions and exemptions; intergovernmental; government

26 A.

27 * * *

28 (2) Any ~~municipal corporation, parish, sewerage, or water district~~ private
29 nonprofit company that enters into a contract with a ~~private nonprofit company~~

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1 redemption of rewards from a loyalty rewards program, any fee or taxes levied shall
2 be limited to the actual cash portion, if any, paid by the patron and no tax shall be
3 applied to the extent of the discount or rewards.

4 (2) Except as expressly provided in R.S. 33:4574.11 or by express written
5 agreement duly signed and consented to by the state or a local governing authority
6 and the holder of a license as defined in R.S. 27:353 and provided for in Chapter 7
7 of Title 27 of the Louisiana Revised Statutes of 1950, no fee or tax shall be levied
8 on nongaming incentives or inducements granted by a licensee to a patron on a
9 complimentary basis, or solely through the redemption of rewards from a loyalty
10 rewards program, including room stays. If nongaming incentives or inducements are
11 granted to a patron by a licensee on a discounted basis, or partially through the
12 redemption of rewards from a loyalty rewards program, any fee or taxes levied shall
13 be limited to the actual cash portion, if any, paid by the patron and no tax shall be
14 applied to the extent of the discount or rewards.

15 B. No provision of this Section shall be construed to change the definition
16 of net gaming proceeds for the purpose of the taxes provided for pursuant to Title 27
17 of the Louisiana Revised Statutes of 1950, nor shall it increase any allowance for
18 promotional play provided for by law.

19 C. Notwithstanding any other provision of this Section to the contrary,
20 nothing in this Section shall be interpreted to restrict the imposition of sales or use
21 tax on the following:

22 (1) Any sales tax levied upon the purchase by a licensee of tangible personal
23 property, including meals and beverages, used as a complimentary incentive or
24 inducement.

25 (2) Any use tax levied upon the use by a licensee of tangible personal
26 property, including meals and beverages, used as a complimentary incentive or
27 inducement.

1 state. The provisions of this Section shall apply only to an event which transpires
 2 over a minimum of seven but not more than twelve days and has a five-year annual
 3 average attendance of at least three hundred thousand over the duration of the event.
 4 For purposes of determining the five-year annual average attendance, the calculation
 5 shall include the total annual attendance for each of the five most recent years. The
 6 provisions of this Subsection shall apply only to sales by the sponsor of the event.

7 B. Admission charges for, outside gate admissions to, or parking fees
 8 associated with an event providing Louisiana heritage, culture, crafts, art, food, and
 9 music which is sponsored by a domestic nonprofit organization that is exempt from
 10 tax ~~under~~ pursuant to Section 501(c)(3) of the Internal Revenue Code shall be
 11 exempt from sales and use taxes levied by the state. The provisions of this
 12 Subsection shall apply only to an event which transpires over a minimum of seven
 13 but not more than twelve days and has a five-year annual average attendance of at
 14 least three hundred thousand over the duration of the event. For purposes of
 15 determining the five-year annual average attendance, the calculation shall include the
 16 total annual attendance for each of the five most recent years. The provisions of this
 17 Subsection shall apply only to admission charges for, outside gate admissions to, or
 18 parking fees associated with an event when the charges and fees are payable to or for
 19 the benefit of the sponsor of the event.

20 * * *

21 §305.36. Exclusions and exemptions; motor vehicles

22 A. ~~Solely for purposes of the~~ The sales and use tax levied by ~~the state, such~~
 23 ~~tax imposed by R.S. 47:302(A), R.S. 47:321(A), and R.S. 47:331(A)~~ any taxing
 24 authority shall not apply to the sale at retail, the purchase, lease, or the importation
 25 of motor vehicles, trailers, or semitrailers as defined by R.S. 47:451 that will be
 26 stored, used, or consumed in this state exclusively for lease or rental, provided that
 27 the gross proceeds derived from the lease or rental of the property not previously
 28 taxed shall be at reasonable market rates. If the secretary of the Department of
 29 Revenue or a local taxing authority finds that any person who has purchased, used,

1 or imported motor vehicles, trailers, or semitrailers tax free under this Subsection has
2 subsequently leased or rented motor vehicles, trailers, or semitrailers in transactions
3 not at arms length at below market rates, the secretary shall presume that the person
4 was not entitled to claim the exemption provided herein, and the burden shall be on
5 that person to prove otherwise.

6 B. A person who has acquired or used property ~~under~~ pursuant to this
7 Section without payment of the tax ~~imposed by R.S. 47:302(A), R.S. 47:321(A), and~~
8 ~~R.S. 47:331(A)~~ shall be construed to be in the business of leasing, renting, or selling
9 such property, whether or not the lessees have the right or obligation to purchase the
10 tangible personal property or will otherwise acquire title to the property at
11 termination of the lease. Therefore, a transaction entered into that is entitled lease,
12 rental, lease-purchase, or similar name which for purposes other than state sales
13 taxation might be considered a conditional sales contract or transaction in lieu of
14 sale, shall be deemed for state sales tax purposes to be a taxable lease. The monthly
15 or other periodic payments made ~~under~~ pursuant to the agreement shall be subject
16 to the tax imposed by ~~R.S. 47:302(B), R.S. 47:321(B), and R.S. 47:331(B)~~ all taxing
17 authorities. These persons shall not be allowed to make an isolated or occasional
18 non-retail sale of the property ~~under R.S. 47:301(1) or R.S. 47:301(10)~~ pursuant to
19 R.S. 47:305(A).

20 C.(1) No person shall be entitled to purchase, use, or import motor vehicles,
21 trailers, or semitrailers, under this Section without payment of the tax imposed by
22 ~~R.S. 47:302(A), R.S. 47:321(A), and R.S. 47:331(A)~~ any taxing authority before
23 having received an exemption number or certificate from the secretary of the
24 Department of Revenue authorizing him to engage in the business of purchasing,
25 using, or importing motor vehicles.

26 * * *

27 §305.64. Exemption; qualifying radiation therapy treatment centers

28 A.(1) The sales and use tax imposed by any taxing authority shall not apply
29 to the amount paid by qualifying radiation therapy treatment centers for the purchase,

1 lease, or repair of capital equipment and the purchase, lease, or repair of software
2 used to operate capital equipment.

3 (2) For purposes of this Section, the following words shall have the following
4 meanings unless the context clearly indicates otherwise:

5 (a) "Capital equipment" shall mean tangible personal property eligible for
6 depreciation for federal income tax purposes that is used in the diagnosis or
7 treatment of cancer patients. Capital equipment shall include, but shall not be
8 limited to linear accelerators, PET/CT scanners, imaging devices, and software
9 necessary to operate capital equipment. In the case of the Biomedical Research
10 Foundation in Shreveport, "capital equipment" shall mean a PET/CT scanner and
11 related equipment for medical diagnosis and installation of the same.

12 (b) "Qualifying radiation therapy center" shall mean all of the following:

13 (i) A radiation therapy center which is also a nonprofit organization which
14 maintains a joint accreditation with a state university by the Commission on
15 Accreditation of Medical Physics Educational Programs, Inc. (CAMPEP) for a
16 graduate medical physics program and which provides facilities and personnel for
17 use for a joint CAMPEP-accredited graduate medical physics program for research,
18 teaching, and clinical training for graduate students.

19 (ii) The Biomedical Research Foundation in Shreveport, Louisiana.

20 (iii) A radiation therapy facility which, no later than August 1, 2011,
21 employs six or more medical physicists to provide radiation therapy treatment
22 services.

23 (iv) The Willis-Knighton Health System in Shreveport, Louisiana.

24 B. An exemption certificate shall be obtained from the secretary of the
25 Department of Revenue in order for a radiation therapy center to qualify for the
26 exemption provided for in this Section.

27 * * *

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1 §305.75. Exemptions; feminine hygiene products and diapers

2 A. The sales and use tax imposed by any taxing authority ~~with those of the~~
3 ~~state~~ shall not apply to the purchase of feminine hygiene products, diapers, or both
4 for individual personal use.

5 * * *

6 §321. Imposition of tax

7 A. In addition to the tax levied by R.S. 47:302(A), 321.1(A), and 331(A) and
8 collected pursuant to the provisions of Chapters 2 and 2-B of this Subtitle, there is
9 hereby levied an additional tax upon the sale at retail, the use, the consumption, the
10 distribution, and the storage for use or consumption in this state of each item or
11 article of tangible personal property or digital product, as defined in Chapter 2 of this
12 Subtitle. The levy of the tax shall be as follows:

13 (1) At the rate of one percent of the sales price of each item or article of
14 tangible personal property or digital product when sold at retail in this state ~~except~~
15 ~~for prepaid calling service and prepaid wireless calling service~~, the tax to be
16 computed on gross sales for the purpose of remitting the amount of tax to the state,
17 and to include each and every retail sale.

18 (2) At the rate of one percent of the cost price of each item or article of
19 tangible personal property or digital product ~~except for prepaid calling service and~~
20 ~~prepaid wireless calling service~~ when the same is not sold but is used, consumed,
21 distributed, or stored for use or consumption in this state, provided that there shall
22 be no duplication of the tax.

23 * * *

24 §321.1. Imposition of tax

25 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and
26 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an
27 additional tax upon the sale at retail, the use, the consumption, the distribution, and
28 the storage for use or consumption in this state of each item or article of tangible

1 personal property or digital product as defined in Chapter 2 of this Subtitle. The levy
2 of said tax shall be as follows:

3 (1)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
4 rate of forty-five hundredths of one percent of the sales price of each item or article
5 of tangible personal property or digital product when sold at retail in this state, the
6 tax to be computed on gross sales for the purpose of remitting the amount of tax to
7 the state, and to include each and every retail sale.

8 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
9 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
10 additional tax of fifty-five hundredths of one percent of the sales price of each item
11 or article of tangible personal property or digital product when sold at retail in this
12 state, the tax to be computed on gross sales for the purpose of remitting the amount
13 of tax to the state, and to include each and every retail sale.

14 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
15 hundredths of one percent of the sales price of each item or article of tangible
16 personal property or digital product when sold at retail in this state, the tax to be
17 computed on gross sales for the purpose of remitting the amount of tax to the state,
18 and to include each and every retail sale.

19 (2)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
20 rate of forty-five hundredths of one percent of the cost price of each item or article
21 of tangible personal property or digital product when the same is not sold but is used,
22 consumed, distributed, or stored for use or consumption in this state, provided that
23 there shall be no duplication of the tax.

24 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
25 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
26 additional tax of fifty-five hundredths of one percent of the cost price of each item
27 or article of tangible personal property or digital product when the same is not sold
28 but is used, consumed, distributed, or stored for use or consumption in this state,
29 provided that there shall be no duplication of the tax.

1 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
2 hundredths of one percent of the cost price of each item or article of tangible
3 personal property or digital product when the same is not sold but is used, consumed,
4 distributed, or stored for use or consumption in this state, provided that there shall
5 be no duplication of the tax.

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

11 (1)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
12 rate of forty-five hundredths of one percent of the gross proceeds derived from the
13 lease or rental of tangible personal property or digital product, as defined in Chapter
14 2 of this Subtitle, where the lease or rental of such property is in an established
15 business, or part of an established business, or the same is incidental or germane to
16 the business.

17 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
18 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
19 additional tax of fifty-five hundredths of one percent of the gross proceeds derived
20 from the lease or rental of tangible personal property or digital product, as defined
21 in Chapter 2 of this Subtitle, where the lease or rental of such property is in an
22 established business, or part of an established business, or the same is incidental or
23 germane to the business.

24 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
25 hundredths of one percent of the gross proceeds derived from the lease or rental of
26 tangible personal property or digital product, as defined in Chapter 2 of this Subtitle,
27 where the lease or rental of such property is in an established business, or part of an
28 established business, or the same is incidental or germane to the business.

1 (2)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
2 rate of forty-five hundredths of one percent of the monthly lease or rental price paid
3 by a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee to the
4 owner of the tangible personal property or digital product.

5 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
6 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
7 additional tax of fifty-five hundredths of one percent of the monthly lease or rental
8 price paid by a lessee or rentee, or contracted or agreed to be paid by a lessee or
9 rentee to the owner of the tangible personal property or digital product.

10 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
11 hundredths of one percent of the monthly lease or rental price paid by a lessee or
12 rentee, or contracted or agreed to be paid by a lessee or rentee to the owner of the
13 tangible personal property or digital product.

14 C.

15 * * *

16 (2) Beginning January 1, 2025, through December 31, 2029, in addition to
17 the tax levied in Paragraph (1) of this Subsection, there is hereby levied an additional
18 tax of fifty-five hundredths of one percent ~~tax upon~~ of the amounts paid or charged
19 for all sales of services in this state, as those services are defined by Chapter 2 of this
20 ~~Subtitle, at the rate of forty-five hundredths of one percent of the amounts paid or~~
21 ~~charged for the services.~~

22 * * *

23 §331. Imposition of tax

24 A. In addition to the tax levied by R.S. 47:302(A) , 321(A), and 321.1(A)
25 and collected ~~under~~ pursuant to the provisions of Chapters 2 and 2-A of this Subtitle,
26 there is hereby levied an additional tax upon the sale at retail, the use, the
27 consumption, the distribution, and the storage for use or consumption in this state of
28 each item or article of tangible personal property or digital product, as defined in
29 Chapter 2 of this Subtitle; the levy of the tax shall be as follows:

1 (1) At the rate of one percent of the sales price of each item or article of
2 tangible personal property or digital product when sold at retail in this state, the tax
3 to be computed on gross sales for the purpose of remitting the amount of tax to the
4 state, and to include each and every retail sale.

5 (2) At the rate of one percent of the cost price of each item or article of
6 tangible personal property or digital product when it is not sold but is used,
7 consumed, distributed, or stored for use or consumption in this state, provided that
8 there shall be no duplication of the tax.

9 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 321.1(B) and
10 collected pursuant to the provisions of Chapters 2 and 2-A of this Subtitle, there is
11 hereby levied a tax upon the lease or rental within this state of each item or article
12 of tangible personal property or digital product, as defined in Chapter 2 of this
13 Subtitle. The levy of the tax shall be as follows:

14 (1) At the rate of one percent of the gross proceeds derived from the lease
15 or rental of tangible personal property or digital product, as defined in Chapter 2 of
16 this Subtitle, where the lease or rental of such property is in an established business,
17 or part of an established business, or is incidental or germane to the business.

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

21 * * *

22 Section 2. R.S. 51:1286(A) is hereby amended and reenacted to read as follows:

23 §1286. Sales and use tax

24 A. In order to provide funds for the purpose of assisting the state in the
25 promotion of tourism, after allocation of money to the Bond Security and
26 Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of
27 Louisiana, the treasurer shall deposit in and credit to the district, three ~~one~~
28 ~~hundredths of one~~ percent of the avails of the tax imposed by R.S. 47:331.

29 * * *

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

1 Section 3. R.S. 47:301.6(B) and (C), 305.36(E), and 337.11.4 are hereby repealed
2 in their entirety.

3 Section 4. To claim a refund of sales tax paid on transactions exempted pursuant to
4 this Act, a taxpayer shall first request a refund from the vendor who charged and collected
5 the sales tax. Vendors may then claim a refund from the secretary upon evidence that the
6 sales tax has been refunded to the taxpayer. If a taxpayer is unable to obtain a refund from
7 the vendor, the taxpayer may then claim a refund from the secretary. No interest on refunds
8 shall accrue or be paid by the secretary on transactions exempted pursuant to this Act. This
9 Section shall only apply to sales which occurred between January 1, 2025, and the effective
10 date of this Act.

11 Section 5. During the 2024 Third Extraordinary Session, Act Nos. 10 and 11
12 amended and reenacted R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(xi),
13 301.1(F), 305.33, 321(A), 321.1(A) and (B), and 331(A) and (B). It is the intent of the
14 Legislature that R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(xi), 301.1(F),
15 305.33, 321(A), 321.1(A) and (B), and 331(A) and (B) as amended and reenacted by this
16 Act shall control. The Louisiana State Law Institute is hereby directed to print the provisions
17 of R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(xi), 301.1(F), 305.33,
18 321(A), 321.1(A) and (B), and 331(A) and (B) as they appear in this Act and to no longer
19 print those provisions as they appear in Act Numbers 10 and 11 of the 2024 Third
20 Extraordinary Session.

21 Section 6. The provisions of this Act shall be applicable to taxable periods beginning
22 on or after January 1, 2025.

23 Section 7. This Act shall become effective upon signature by the governor or, if not
24 signed by the governor, upon expiration of the time for bills to become law without signature
25 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
26 vetoed by the governor and subsequently approved by the legislature, this Act shall become
27 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 578 Original

2025 Regular Session

Emerson

Abstract: Provides for state and local sales and use tax.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property and digital products pursuant to the following levies in the following amounts:

- (1) R.S. 47:302 - 2%
- (2) R.S. 47:321 - 1%
- (3) R.S. 47:321.1 - 1%
- (4) R.S. 47:331 - 1%

Proposed law retains present law.

Present law requires the treasurer to deposit in and credit 0.3% of the avails of the 1% state sales tax levied pursuant to R.S. 47:331 for purposes of assisting the state in the promotion of tourism.

Proposed law changes the amount of the dedication to the promotion of tourism from 0.3% of the avails of the 1% state sales tax levied pursuant to R.S. 47:331 to 3% of the avails of the 1% state sales and use tax levied pursuant to R.S. 47:331.

Present law defines a "dealer" as every person who manufactures or produces tangible personal property or digital products for sale at retail, for use, or consumption, or distribution, or for storage to be used or consumed in a taxing jurisdiction. "Dealer" also includes any person who sells for delivery into La. tangible personal property, products transferred electronically, or services, and who does not have a physical presence in La., if during the previous or current calendar year the person's gross revenue for sales delivered into this state exceeded \$100,000 from sales of tangible personal property, products transferred electronically, or services.

Proposed law retains present law but adds digital products to the items that a person sells or delivers into this state by persons who do not have a presence in La. and adds digital products to the sales or transfers that are used in calculating the \$100,000 sales threshold.

Present law provides that state and local sales taxes apply to repairs and maintenance of tangible personal property including the repair and servicing of items such as automobiles, vehicles, boats and vessels, electrical and mechanical appliances and equipment, furniture, rugs, flooring, watches, clocks, jewelry, and refrigerators.

Proposed law retains present law but removes flooring from the list of services subject to state and local sales and use tax.

Present law provides that sales taxes of *any taxing authority* shall apply to the providing of information services including cable television services, direct-to-home satellite services, video programming services, and satellite digital audio radio services, and global positioning system services including driving directions and sports, news, and similar information provided through satellite audio programming services.

Proposed law changes present law by providing that cable television services, direct-to-home satellite services, video programming services provided by cable television and satellite service providers, and satellite digital audio radio services shall only be subject to *state* sales tax.

Proposed law exempts charges for repairs to tangible personal property when the repaired property is delivered to a common carrier or to the U.S. Postal Service for transportation outside the state or delivered outside the state by use of the repair dealer's own vehicle or by use of an independent trucker from sales taxes from any taxing authority. Proposed law further provides that the delivery of aircraft may be made by the best available means and offshore areas shall not be considered another state for the purposes of this exemption.

Proposed law exempts the lease or rental of motor vehicles by licensed motor vehicle dealers or vehicle manufacturers for their use in furnishing leased or rented motor vehicles to their customers in performance of their obligations under warranty agreements associated with the purchase of a motor vehicle or when the applicable warranty has lapsed and the leased or rented motor vehicle is provided to the customer at no charge from sales taxes of any taxing authority.

Present law exempts educational materials or equipment used for classroom instruction by approved parochial and private elementary and secondary schools from the sales and use tax imposed by taxing authorities. Further exempts the sale of admissions to athletic and entertainment events held for or by parochial, and private elementary and secondary schools.

Proposed law retains present law but adds the purchase, lease, or rental of educational materials to the items exempted from sales and use tax. Further extends the exemption for admissions to athletic and entertainment events held at schools to include public schools.

Present law provides that any municipal corporation, parish, sewerage, or water district that enters into a contract with a private nonprofit company to construct or operate a sewerage or wastewater treatment facility shall be exempt from the same sales tax as the municipal corporation, parish, sewerage, or water district.

Proposed law changes present law to provide that any private nonprofit company that enters into a contract with a municipal corporation, parish, sewerage, or water district to construct or operate a sewerage or wastewater treatment facility shall be exempt from the same sales tax as the municipal corporation, parish, sewerage, or water district.

Proposed law adds exemptions from sales taxes imposed by taxing authorities for the following:

- (1) Admission charges for, outside gate admissions to, or parking fees associated with, events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious organizations, which are nonprofit, when the entire proceeds, except for necessary expenses are used for educational, charitable, religious, or historical restoration purposes. (R.S. 47:305.14)
- (2) Purchases by a nonprofit organization which conducts a comprehensive program on sickle cell disease which includes free education, free testing, free counseling, and free prescriptions, transportation, and food packages for sickle cell patients. (R.S. 47:305.21)
- (3) Sales of construction materials for Habitat for Humanity. (R.S. 47:305.22)
- (4) Purchases by qualifying radiation therapy treatment centers for or software used to operate capital equipment. (R.S. 47:305.64)

Proposed law prohibits fees or tax from being imposed or levied on nongaming incentives or inducements granted by a licensee to a patron on a complimentary basis, or solely through the redemption of rewards from a loyalty rewards program, including room stays. If nongaming incentives or inducements are granted to a patron by a licensee on a discounted basis, or partially through the redemption of rewards from a loyalty rewards program, any fee or taxes levied shall be limited to the actual cash portion, if any, paid by the patron and no tax shall be applied to the extent of the discount or rewards.

Present law provides for a state sales and use tax exemption for the sale, purchase, lease, or the importation of motor vehicles, trailers, or semitrailers as defined in present law stored, used, or consumed in this state exclusively for lease or rental, provided that the gross proceeds derived from the lease or rental of the property not previously taxed shall be at reasonable market rates.

Proposed law retains present law but extends the exemption to local sales and use taxes thereby making the exemption applicable to taxes levied by all taxing authorities

Proposed law authorizes a taxpayer to claim a refund of sales tax paid on sales transactions which occurred between Jan. 1, 2025, and the effective date of proposed law that are exempted pursuant to proposed law. In these cases, the taxpayer shall first request a refund from the vendor who charged and collected the sales tax. Vendors may then claim a refund from the secretary upon evidence that the sales tax has been refunded to the taxpayer. If a taxpayer is unable to obtain a refund from the vendor, the taxpayer may then claim a refund from the secretary. No interest on refunds shall accrue or be paid by the secretary on transactions exempted pursuant to proposed law. This Section shall only apply to.

Proposed law shall be applicable to taxable periods beginning on or after January 1, 2025.

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

(Amends R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i), and (27)(x)(xi), 301.1(F), 301.3(7)(a) and (10)(a), 305.2(A)(5), 305.6(1) and (5), 305.7(A)(2), 305.33, 305.36(A), (B), and (C)(1), 305.75(A), 321(A), 321.1(A), (B), and (C)(2), and 331(A) and (B) and R.S. 51:1286(A); Adds R.S. 47:301.3(11), 305(E)(4) and (L), 305.14, 305.18, 305.21, 305.22, and 305.64; Repeals R.S. 47:301.6(B) and (C), 305.36(E), and 337.11.4)