

SENATE COMMITTEE AMENDMENTS

2025 Regular Session

Amendments proposed by Senate Committee on Revenue and Fiscal Affairs to Re-
Reengrossed House Bill No. 578 by Representative Emerson

AMENDMENT NO. 1

On page 1, delete lines 3 through 7 and insert the following:

"and (27)(x)(ix), 301.1(F), 301.3(7)(a) and (10)(a), 305.1(A), (B), (C)(1)(introductory paragraph) and (c) and (3)(a), 305.2(A)(5), 305.6(1), (5), and (6), 305.7(A)(1) and (2), 305.12(D), 305.33, 305.36(A), (B), and (C)(1), 305.50(A)(2)(b)(i), 305.75(A), 321(A), 321.1(A), (B), and (C)(2), 331(A) and (B), and 337.10(A) and (D) and R.S. 51:1286(A), to enact R.S. 39:100.118 and R.S. 47:301.3(11), 305(E)(4) and (L), 305.1(C)(6), 305.2(B)(13), 305.14, 305.21, 305.22, 305.64, 337.4(B)(4), and 337.10(E), and to repeal R.S. 47:301.6(B) and (C), 305.2(A)(4), and 305.36(E), relative to sales and use"

AMENDMENT NO. 2

On page 1, line 8, after "tax;" delete "to reduce the state sales and use tax rate under certain circumstances;"

AMENDMENT NO. 3

On page 1, line 17, after "centers;" and before "to provide with", insert the following:

"to provide for the exemption for certain ships and ships' supplies; to provide for sales and use tax exemptions for certain governments; to authorize purchases made by certain contractors on public contracts to qualify for the exemption; to authorize an exemption for certain adaptive driving equipment and motor vehicle modifications;"

AMENDMENT NO. 4

On page 1, line 20, after "requirements;" and before "to authorize" insert "to provide for local optional exemptions;"

AMENDMENT NO. 5

On page 2, line 22 after "305.36(A), (B), and (C)(1)," delete the remainder of the line and delete lines 23 and 24, and insert the following:

"305.50(A)(2)(b)(i), 305.75(A), 321(A), 321.1(A), (B), and (C)(2), 331(A) and (B), and 337.10(A) and (D) are hereby amended and reenacted and R.S. 47:301.3(11), 305(L), 305.2(B)(13), 305.14, 305.21, 305.22, 305.64, 337.4(B)(4), and 337.10(E) are hereby enacted to read as follows:"

AMENDMENT NO. 6

On page 9, delete lines 26 through 28 and on page 10, delete lines 1 through 7

AMENDMENT NO. 7

On page 10, between lines 27 and 28, insert the following:

"B. The following items shall be exempt from the sales and use tax imposed by any taxing authority:

* * *

~~purchase, lease, or repair of capital equipment and the purchase, lease, or repair of software used to operate capital equipment. Except for exemptions required by law, specifically including R.S. 47:305.76, 337.9(D)(34), and 338.52, a political subdivision may provide for a sales and use tax exemption as provided for in R.S. 47:305.2(A).~~

E. A political subdivision may, by ordinance or resolution, provide for the exemptions in this Section; however, the ordinance or resolution shall provide for the adoption of all of the definitions, exemptions, and limitations provided for in the referenced Section.

Section 3. R.S. 47:305.1(A), (B), (C)(1)(introductory paragraph) and (c) and (3)(a), 305.6(6), and 305.7(A)(1) are hereby amended and reenacted and R.S. 47:305(E)(4) and 305.1(C)(6) are hereby enacted to read as follows:

§305. Exemptions from the tax

* * *

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

* * *

(4) Charges for the furnishing of repairs to tangible personal property when the repaired property is delivered to a common carrier or to the United States 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. However, the delivery of aircraft may be made by the best available means. Offshore areas shall not be considered another state for purposes of this Paragraph.

* * *

§305.1. Exclusions and exemptions; ships and ships' supplies

A. The tax imposed by taxing authorities shall not apply to sales of materials, equipment, ~~and machinery, and software which that~~ enter into and become component parts of ~~ships, vessels, or barges, including commercial fishing vessels, drilling ships, or drilling barges,~~ of fifty tons load displacement and over, built in Louisiana nor to the gross proceeds from the sale of such ~~ships, vessels, or barges~~ when sold by the builder thereof.

B. The taxes imposed by taxing authorities shall not apply to any of the following:

(1) Materials, ~~materials and~~ supplies, or software purchased by the owners or operators of ~~ships, barges, or~~ vessels, ~~including drilling ships,~~ operating exclusively in foreign or interstate coastwise commerce, where ~~such the~~ materials and supplies are loaded upon, or software is installed on any such ~~ship, barge, or~~ vessel for use or consumption in the maintenance and operation thereof, ~~nor to repair of the vessel.~~

(2) Repair services performed upon ~~such ships, barges, or~~ vessels operating exclusively in foreign or interstate coastwise commerce, ~~nor to the~~ including materials, ~~and~~ supplies, and software used in ~~such the~~ repairs where ~~such the~~ items ~~materials and supplies~~ enter into and become a component part of such ~~ships, barges, or~~ vessels, ~~nor to laundry~~

(3) Laundry services performed for the owners or operators of ~~such ships, barges, or~~ vessels operating exclusively in foreign or interstate coastwise commerce, where the laundered articles are to be used in the course of the operation of such ~~ships, barges, or~~ vessels.

(4) Digital products, prewritten computer software access services, and information services purchased by the owners or operators of vessels operating exclusively in foreign or interstate coastwise commerce, where the digital product or service is used in the maintenance or operation of the vessel and is either required for the navigation or intended commercial operation of a vessel or required to obtain certification or approvals from the United States Coast Guard or any regulatory agency or classification society with respect to a vessel.

(5) Nothing in this Section shall be construed to exempt purchases of software, digital products, or services that are used for routine business operations not specific to the commercial operations of a vessel or for entertainment, leisure, or recreation of crew members or any other person on the vessel.

C.(1) For purposes of this Section, the term "foreign or interstate coastwise commerce" shall mean and include trade, traffic, transportation, or movement of passengers or property by, in, or on a ~~ship, barge, or~~ vessel, ~~including a drilling ship:~~

* * *

(c) At a point in or between points in the same state as part of or in connection with the business of providing or delivering materials, equipment, fuel, supplies, crew, repair services, laundry services, dredging waterways services, stevedoring services, other loading or unloading services, or ship, barge, or vessel movement services to or for ~~ships, barges, or vessels, including drilling ships,~~ that are operating in foreign or interstate coastwise commerce as defined in this Subsection; or

* * *

(3) For purposes of this Section, the term "component part" or "component parts" shall mean and include any item or article of tangible personal property that is:

(a) Incorporated into, attached to, or placed ~~upon on~~ a ~~ship, vessel, barge,~~ commercial fishing vessel, ~~drilling ship,~~ or drilling barge ~~(collectively referred to in this Section as "vessel" or "vessels")~~ during either (i) the construction of ~~such the~~ vessel in the case of the exemption provided in Subsection A of this Section, or (ii) the repair of ~~such the~~ vessel in the case of the exemption provided for in Subsection B of this Section;

* * *

(6) For purposes of this Section, "vessel" shall mean a ship, vessel, or barge, including a commercial fishing vessel, drilling ship, or drilling barge.

* * *

§305.6. Exemption; schools and educational materials

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

* * *

(6) The purchase, lease, or rental of items of tangible personal property or services by a regionally accredited independent institution of higher education which is a member of the Louisiana Association of Independent Colleges and Universities or by the Edward Via College of Osteopathic Medicine if the purchase, lease, or rental is directly related to the educational mission of the institution.

§305.7. Exclusions and exemptions; intergovernmental; government

A.(1)(a) This state, any parish, city and parish, municipality, district, or other political subdivision thereof, or any agency, board, commission, or instrumentality of this state or its political subdivisions shall be exempt from sales and use taxes imposed by any taxing authority. Upon request by any political subdivision for an exemption identification number, the Department of Revenue shall issue such number.

(b)(i) The exemption provided for in Subparagraph (a) of this Paragraph shall extend to purchases made by general contractors or their subcontractors related to work performed by such contractors pursuant to construction contracts for public projects for state and local governments or to any agency, board, commission or instrumentality of the state or its political subdivisions.

(ii) Prior to claiming the exemption provided for in this Paragraph, the general contractor or their subcontractor shall obtain a certificate of exemption from the secretary of the Department of Revenue. The certificate of exemption shall be in a form and manner prescribed by the secretary and shall include the job description, contract number, state or local government entity identifying information, and valid dates or a date range for the project. The general contractor or their subcontractor shall also provide a copy of the construction contract when applying for a certificate of exemption from the department. A local collector shall accept certificates of exemption properly issued by the secretary of the Department of Revenue and completed by the general contractor or their subcontractors.

(c) Notwithstanding any law to the contrary, purchases made by general contractors or their subcontractors for construction projects on property owned by a public entity and leased to a private entity as part of a payment in lieu of taxes or other similar agreement shall not qualify for the sales and use tax exemption provided for in this Paragraph.

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1 AMENDMENT NO. 13

2 On page 22, delete lines 5 through 29, delete pages 23 and 24 in their entirety and on page
3 25 delete lines 1 through 9

4 AMENDMENT NO. 14

5 On page 25, delete line 18 and insert the following:

6 "Section 5. R.S. 47:301.6(B) and (C), 305.2(A)(4), and 305.36(E) are hereby
7 repealed in their entirety."

8 AMENDMENT NO. 15

9 On page 25, delete lines 19 through 27

10 AMENDMENT NO. 16

11 On page 25, at the beginning of line 28, delete "Section 8. (A)" and insert "Section 6. (A)"

12 AMENDMENT NO. 17

13 On page 26, delete line 17 and insert the following:

14 "Section 7. The provisions of Sections 1, 2, 4, and 5 of this Act shall be applicable"

15 AMENDMENT NO. 18

16 On page 26, between lines 18 and 19, insert the following:

17 "Section 8. The provisions of Section 3 of this Act shall be applicable to taxable
18 periods beginning on or after July 1, 2025."

19 AMENDMENT NO. 19

20 On page 26, delete lines 19 through 22

21 AMENDMENT NO. 20

22 On page 26, delete line 23 and insert the following:

23 "Section 9. This provisions of this Act shall"