

CONFERENCE COMMITTEE REPORT

HB 578**2025 Regular Session****Emerson**

June 12, 2025

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 578 by Representative Emerson, recommend the following concerning the Re-Reengrossed bill:

1. That the set of Senate Committee Amendments by the Senate Committee on Revenue and Fiscal Affairs (#2529) be rejected.
2. That the set of Senate Floor Amendments by Senator Foil (#2992) be rejected.
3. That the set of Senate Floor Amendments by Senator Foil (#3047) be rejected.
4. That the set of Senate Floor Amendments by Senator Talbot (#3116) be rejected.
5. That the set of Senate Floor Amendments by Senator Pressly (#3120) be rejected.
6. That the set of Senate Floor Amendments by Senator Foil (#3124) be rejected.
7. That the following amendments to the re-reengrossed bill be adopted:

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. 33:9038.34(P), R.S. 39:100.118, and R.S. 47:301.3(11), 301.4(C)(4), 305(E)(4) and (L), 305.1(C)(6), 305.12(E), 305.14, 305.21, 305.22, 305.23, 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 an exemption; to authorize an exemption for sales taxes on certain boats; to establish the initial baseline collection rate for a certain sales tax area established by the legislature;"

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, between lines 4 and 5, insert the following:

"Section 1. R.S. 33:9038.34(P) is hereby enacted to read as follows:

§9038.34. Sales tax increment financing

* * *

P. Notwithstanding the provisions of this Section, the initial annual baseline collection rate for the sales tax area of a medical and bioscience district first established by the legislature of the State of Louisiana during the 2005 Regular Session of the legislature shall be one million two hundred seventy-two thousand three hundred ninety-four dollars."

AMENDMENT NO. 6

On page 2, at the beginning of line 5, delete "Section 1." and insert "Section 2."

AMENDMENT NO. 7

On page 2, at the beginning of line 20, delete "Section 2." and insert "Section 3."

AMENDMENT NO. 8

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 in their entirety 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), 301.4(C)(4), 305.12(E), 337.4(B)(4), and 337.10(E) are hereby enacted to read as follows:"

AMENDMENT NO. 9

On page 9, at the end of line 6, delete "surveys;"

AMENDMENT NO. 10

On page 9, delete lines 15 through 17 in their entirety

AMENDMENT NO. 11

On page 9, delete lines 24 through 28 in their entirety, and on page 10, delete lines 1 through 15 in their entirety and insert the following:

"§301.4. Sales transaction sourcing rules

* * *

C. Exceptions to the general sourcing rules. The following sales are sourced as follows:

* * *

(4) Purchases of multiple listing services by real estate licensees and brokers shall be sourced to the location of the licensee's or broker's Louisiana regional real estate association office. For purposes of this Paragraph, "multiple listing services" shall mean a platform or database used by real estate licensees and brokers to share property listings that are marketed for sale, rent, or lease, and is available only to real estate licensees and brokers.

* * *

AMENDMENT NO. 12

On page 11, between lines 27 and 28, insert the following:

"E. The secretary of the Department of Revenue shall promulgate rules and regulations for the implementation of the exemptions provided for in this Section. The secretary shall begin the promulgation process prior to December 31, 2025."

AMENDMENT NO. 13

Delete page 12 in its entirety, delete page 13 in its entirety, and on page 14, delete lines 1 through 8 in their entirety

AMENDMENT NO. 14

On page 15, delete line 4 in its entirety

AMENDMENT NO. 15

On page 16, delete lines 11 through 29 in their entirety and on page 17, delete lines 1 through 11 in their entirety and insert the following:

"§305.50. Exemption; vehicles used in interstate commerce; rail rolling stock; railroad ties

A. * * *

(2) * * *

(b) For purposes of this Paragraph, a qualifying truck shall meet the following requirements:

(i) Be registered in Louisiana as a Class 1 vehicle as defined in R.S. 47:462 and shall have a registered gross weight as defined in R.S. 47:451 of at least eighty thousand pounds.

* * *

AMENDMENT NO. 16

On page 18, at the beginning of line 8, after "collected" and before "of this" delete "under the provisions of Chapter 2" and insert "pursuant to the provisions of Chapter Chapters 2 and 2-B"

AMENDMENT NO. 17

On page 18, at the beginning of line 12, after "of" and before "tax" delete "said" and insert "the"

AMENDMENT NO. 18

On page 19, at the beginning of line 18, after "collected" before "of this" delete "under the provisions of Chapter 2" and insert "pursuant to the provisions of Chapter Chapters 2 and 2-B"

AMENDMENT NO. 19

On page 22, delete lines 5 through 29 in their entirety, delete pages 23 and 24 in their entirety and on page 25 delete lines 1 through 9 in their entirety and insert the following:

"§337.4. Levy of sales and use taxes

* * *

B. The local ordinance shall contain the following:

* * *

(4) The purpose for which the proceeds of the tax shall be used.

* * *

§337.10. Optional exemptions

A. A political subdivision may provide for a sales and use tax exemption as provided for in ~~R.S. 47:305(A) through (E), or any combination of these or all of them~~ R.S. 47:305.5(A) through (E), for the sales, cost, or lease and rental price of manufacturing machinery and equipment, either effective upon adoption or enactment or phased in over a period of time, or effective for a certain period of time or duration, all as set forth in the instrument, resolution, vote, or other affirmative action providing for the exemption. However, any ordinance or resolution enacted pursuant to this Section or its predecessor that exempts manufacturing machinery and equipment in effect on December 31, 2024, shall remain in effect even if the ordinance or resolution does not adopt all of the definitions, exemptions, and limitations provided for in R.S. 47:305.5.

* * *

~~D. As provided for in R.S. 47:305.64, political subdivisions, including municipalities and parishes, may elect to provide for a sales and use tax exemption for the amount paid by qualifying radiation therapy treatment centers for the 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. 47:305.64, 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 exemption provided for 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 4. 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. 47:305.1(C)(6) and 305.23 are hereby enacted to read as follows:

§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, for purposes of state sales and use taxes, the exemption provided for in this Paragraph shall not apply to purchases made with respect to property owned by a public entity and leased to a private party as part of a payment in lieu of taxes or other similar agreement executed after the effective date of this Subparagraph unless the agreement is approved by the secretary of the Department of Revenue and the secretary of the Louisiana Department of Economic Development.

* * *

§305.23. Sales and use tax exemption; boats

A. Notwithstanding any other provision of law to the contrary, the state and local sales and use taxes levied on boats registered in this state shall not exceed twenty thousand dollars after application of the credits provided for in R.S. 47:303(A)(3) and 337.86, if the tax is paid within ninety days of purchase. If the aggregate state and local sales and use tax on a boat would have equaled an amount exceeding twenty thousand dollars, the actual tax collected shall be divided equally between the applicable state and local taxing authorities.

B. Beginning July 1, 2030, and every five years thereafter, the amount provided for in Subsection (A) of this Section shall be adjusted by an amount calculated by multiplying the amount of the prior year's amount by the percentage increase in the Consumer Price Index United States city average for all urban

consumers (CPI-U), as reported by the United States Department of Labor, Bureau of Labor Statistics, or its successor.

Section 5. R.S. 47:305(E)(4) and (L), 305.14, 305.21, 305.22, and 305.64 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)(a) 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 is delivered outside the state by use of the repair dealer's own vehicle or by use of an independent trucker. However, as to aircraft, delivery may be by the best available means. Offshore areas shall not be considered another state for the purposes of this Paragraph. The provisions of this Paragraph shall only apply to sales and use taxes levied by the state.

(b) The exemption authorized pursuant to the provisions of this Paragraph may extend to sales and use taxes levied by a parish, municipality, or school board.

* * *

L. The lease or rental of motor vehicles by licensed motor vehicle dealers, as defined in R.S. 32:1252(35) or vehicle manufacturers as defined in R.S. 32:1252(24), 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 shall be exempt from sales and use taxes levied by any taxing authority.

* * *

§305.14. Exemptions; nonprofit organizations; nature of exemption; limitations; qualifications; determination of tax exempt status

A.(1) The sales and use taxes imposed by taxing authorities shall not apply to sales of tangible personal property at, or 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 such as fees paid for guest speakers, chair and table rentals, and food and beverage utility related items connected therewith, are used for educational, charitable, religious, or historical restoration purposes, including the furtherance of the civic, educational, historical, charitable, fraternal, or religious purpose of the organization.

(2) The exemption provided in this Section shall not apply to any event intended to yield a profit to the promoter or to any individual contracted to provide services or equipment, or both, for the event.

(3) This Section shall not be construed to exempt any organization or activity from the payment of sales or use taxes otherwise required by law to be made on purchases made by these organizations.

(4) This Section shall not be construed to exempt regular commercial ventures of any type such as bookstores, restaurants, gift shops, commercial flea markets, and similar activities that are sponsored by organizations qualifying hereunder which are in competition with retail merchants.

B. The sponsorship of any event by any organization applying for an exemption pursuant to this Section must be genuine. Sponsorship shall not be

considered genuine in any case in which exemption from taxation is a major consideration leading to the sponsorship.

C.(1) An annual exemption certificate shall be obtained from the secretary of the Department of Revenue pursuant to regulations the secretary shall prescribe, in order for nonprofit organizations to qualify for the exemption provided in this Section. Any event held pursuant to the annual exemption certificate shall be subject to review for compliance with the provisions of law and regulations governing this exemption.

(2) In the event the secretary of the Department of Revenue denies tax exempt status pursuant to this Section, the organization may appeal the ruling to the Board of Tax Appeals, which may overrule the secretary and grant tax exempt status if the Board of Tax Appeals determines that the denial of tax exempt status by the collector of revenue was arbitrary, capricious, or unreasonable.

(3) However, any organization that endorses any candidate for political office or otherwise is involved in political activities shall not be eligible for the exemption provided in this Section.

D. Notwithstanding any other provision of law to the contrary, the proper venue in any proceeding to determine the tax exempt status pursuant to the provisions of this Section shall be the parish in which the activity for which the tax exempt status is claimed took place, or any parish in which the taxpayer has a corporate presence, to be determined at the discretion of the taxpayer.

* * *

§305.21. Exemption; sickle cell disease organizations

A. The sale at retail, the rental or lease, the use, the consumption, the distribution, and the storage for use or consumption in this state of each item or article of tangible personal property, digital products, or any taxable service, by a nonprofit organization established prior to 1975 which conducts a comprehensive program on sickle cell disease which includes but is not limited to free education, free testing, free counseling, and free prescriptions, transportation, and food packages for sickle cell patients shall be exempt from sales and use taxes levied by any taxing authority.

B.(1) An exemption certificate shall be obtained from the secretary, in accordance with regulations prescribed by him, in order for a nonprofit organization to qualify for the exemption provided in this Section.

(2) If the secretary denies tax exempt status pursuant to this Section, the organization may appeal the ruling to the Board of Tax Appeals which may overrule the secretary and grant tax exempt status to the organization.

§305.22. Exemption; Habitat for Humanity

The sale of construction materials to Habitat for Humanity affiliates shall be exempt from sales and use taxes imposed by any taxing authority when the materials are used in constructing new residential dwellings in this state.

* * *

§305.64. Exemption; qualifying radiation therapy treatment centers

A.(1) The sales and use tax imposed by any taxing authority shall not apply to the amount paid by qualifying radiation therapy treatment centers for the purchase, lease, or repair of capital equipment and the purchase, lease, or repair of software used to operate capital equipment.

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

(a) "Capital equipment" shall mean tangible personal property eligible for depreciation for federal income tax purposes that is used in the diagnosis or treatment

of cancer patients. Capital equipment shall include, but shall not be limited to linear accelerators, PET/CT scanners, imaging devices, and software necessary to operate capital equipment. In the case of the Biomedical Research Foundation in Shreveport, "capital equipment" shall mean a PET/CT scanner and related equipment for medical diagnosis and installation of the same.

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

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

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

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

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

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

AMENDMENT NO. 20

On page 25, at the beginning of line 10 delete "Section 4." and insert "Section 6."

AMENDMENT NO. 21

On page 25, delete lines 18 through 27 in their entirety and insert the following:

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

AMENDMENT NO. 22

On page 26, delete lines 17 through 23 in their entirety and insert the following:

"Section 9. The provisions of Sections 2, 3, 6, and 7 of this Act shall be applicable to taxable periods beginning on or after January 1, 2025.

Section 10. The provisions of Section 4 of this Act shall be applicable to taxable periods beginning on or after July 1, 2025.

Section 11. The provisions of Section 5 of this Act shall apply to taxable periods beginning on or after January 1, 2025, for purposes of state sales and use tax and to taxable periods beginning on or after July 1, 2025, for purposes of sales and use taxes levied by a political subdivision.

Section 12. This Act shall"

Respectfully submitted,

Representative Julie Emerson

Senator Franklin J. Foil

Representative Michael T. Johnson

Senator Beth Mizell

Representative Kendrick "Ken" Brass

Senator Thomas A. Pressly

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)]

CONFERENCE COMMITTEE REPORT DIGEST

HB 578

2025 Regular Session

Emerson

Keyword and oneliner of the instrument as it left the House

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

Report adopts Senate amendments to:

1. Requires a local ordinance authorizing a sales tax to contain the purposes for which the tax proceeds will be used.
2. Provides that any local ordinance or resolution adopting an exemption for the lease or rental price of manufacturing machinery and equipment in effect on Dec. 31, 2024, shall remain in effect, even if the ordinance or resolution does not adopt all of the statutory sales tax definitions, exemptions, and limitations for the exemption as provided in law.
3. Authorizes a political subdivision to provide for a sales and use tax exemption as provided in statute for medical exemptions to state sales tax with certain exceptions as required by law.
4. Extends the sales tax exemption to computer software or prewritten computer software access services used by licensed healthcare facilities and providers for storing or transmitting healthcare information or for the diagnosis or treatment of a medical condition and requires the secretary of DOR to promulgate rules to implement the exemption provided for in proposed law before Dec. 31, 2025.
5. Authorizes a political subdivision by ordinance or resolution to provide for an optional sales tax exemption and require the ordinance or resolution to adopt all of the definitions, exemptions, and limitations included in the state sales tax statute.
6. Exempts charges for the furnishing of repairs to tangible personal property in La., when the repaired property is delivered out of state by a common carrier or to the U.S. Postal Service in certain circumstances from sales and use taxes of any taxing authority.
7. Prohibits the use of the exemption for charges for the furnishing of repairs to tangible personal property for an offshore area.
8. Adds a state and local sales and use tax exemption for software for ships and ship's supplies in certain circumstances. Additionally, defines the term "vessel" for purposes of the exemption.
9. Adds an exemption for purchase, lease, or rental of tangible personal property or services by the Edward Via College of Osteopathic Medicine if the purchase, lease, or rental is directly related to the educational mission of the institution.
10. Extends the sales tax exemption for governmental transactions to purchases made by general contractors or their subcontractors on construction contracts for public

projects. However, excludes the exemption for purchases made pursuant to a payment in lieu of taxes agreement unless the agreement is approved by the secretaries of LED and DOR.

11. Provides for the administration of the exemption for purchases made by contractors and their subcontractors.
12. Eliminates provisions accelerating the reduction in the state sales and use tax rate from 1% to 0.75%.
13. Deletes authorization for a taxpayer to claim a refund of certain sales tax paid on sales transactions.
14. Authorizes an exemption from sales taxes levied on telecommunications services, cable television services, direct-to-home satellite services video programming services and satellite digital audio radio services that are provided by a dealer to a customer and the dealer is also subject to franchise fee pursuant to present law.
15. Provides for the applicability and effectiveness of proposed law.

Report rejects Senate amendments which would have:

1. Exempted adaptive driving equipment and motor vehicle modifications prescribed or personal use by a physician, a licensed chiropractor, or a driver rehabilitation specialist from sales and use taxes.
2. Required the secretaries of LED and DOR to *review and approve* payment in lieu of tax agreements for purposes of the exemption for governmental transactions to purchases made by general contractors or their subcontractors on construction contracts for public projects.
3. Excluded multiple listing services from information services for purposes of sales and use taxes.
4. Authorized an exemption from sales taxes levied on telecommunications services, cable television services, direct-to-home satellite services video programming services and satellite digital audio radio services provided by a dealer to a customer which are also subject to franchise fees pursuant to present law. The amount of the exemption would have equaled the amount of the franchise fee paid by the dealer not to exceed 5%.

Report amends the bill to:

1. Require purchases of multiple listing services by real estate licensees and brokers to be sourced to the location of the licensee's or broker's La. regional real estate association office. "Multiple listing services" means a platform or database used by real estate licensees and brokers to share property listings that are marketed for sale, rent, or lease, and is available only to real estate licensees and brokers.
2. Set the initial annual baseline collection rate for the sales tax area of a medical and bioscience tax increment financing district first established by the legislature during the 2005 R.S.
3. Limits the state and local sales and use taxes levied on boats registered in this state from exceeding \$20,000 after application of the credits provided for in present law if the tax is paid within 90 days of purchase.

4. Change applicability of provisions of proposed law depending of the tax base the sales tax exemption applies.

Digest of the bill as proposed by the Conference Committee

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%

Present law provides for the reduction in the state sales tax rate from 5% to 4.75% beginning Jan. 1, 2030.

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 for 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 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 requires multiple listing services by real estate licensees and brokers to be sourced to the location of the licensee's or broker's La. regional real estate association office. Further defines "multiple listing services" as a platform or database used by real estate licensees and brokers to share property listings that are marketed for sale, rent, or lease, and is available only to real estate licensees and brokers.

Present law exempts digital products used by licensed healthcare facilities and providers for storing or transmitting healthcare information or for the diagnosis or treatment of a medical condition from sales taxes imposed by taxing authorities.

Proposed law retains present law but extends the sales tax exemption to computer software or prewritten computer software access services used by licensed healthcare facilities and providers for storing or transmitting healthcare information or for the diagnosis or treatment of a medical condition. Further requires the secretary of DOR to promulgate rules to implement the exemption provided for in proposed law and to begin the process of rule promulgation before Dec. 31, 2025.

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)

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 provides for establishment of the Local Revenue Fund as a special fund in the state treasury (hereinafter "fund"). After allocation of money to the Bond Security and Redemption Fund as provided for in present constitution, the treasurer is required to deposit in and credit to the fund the avails of the additional 5% tax levied in present law on telecommunications services, cable televisions services, direct-to-home satellite services, video programming services, and satellite digital audio radio services in this state and any other revenue dedicated to the fund by the legislature.

Proposed law requires monies in the fund to be used solely for distribution to ad valorem tax recipient bodies within a parish to offset losses attributable to business inventory exemptions to the ad valorem tax granted by a parish.

Present law provides that the sales and use tax imposed by the state or any of its political subdivisions shall not apply to the purchase, use, or lease of certain qualifying trucks and requires that a qualifying truck be registered as a Class 1 vehicle as defined in present law.

Proposed law adds a requirement that a Class 1 vehicle be registered in Louisiana and otherwise retains present law.

Present law provides any political subdivision that is authorized by the constitution and laws of the state to levy and impose a sales and use tax which proposition is approved by a majority shall impose, levy, administer, and collect such tax by local ordinance.

Present law requires the local ordinance to contain the rate of the sales and use tax, the effective date of the tax, the term of the tax, vendor's compensation, exclusions and exemptions adopted pursuant to legislation enacted, and the penalty, interest, or attorney fees due on the sales and use tax.

Proposed law further requires the local ordinance to contain the purposes for which the tax proceeds shall be used.

Present law authorizes a political subdivision to provide for a sales and use tax exemption for the sales, purchase, or lease and rental price of manufacturing machinery and equipment.

Proposed law provides that any local ordinance or resolution adopting an exemption for the lease or rental price of manufacturing machinery and equipment in effect on December 31, 2024, shall remain in effect, even if the ordinance or resolution does not adopt all of the statutory sales tax definitions, exemptions, and limitations for the exemption as provided in present law.

Present law provides that political subdivisions, including municipalities and parishes, may provide for a sales and use tax exemption for the amount paid by qualifying radiation therapy treatment centers for the purchase, lease, or repair of capital equipment and the purchase, lease, or repair of software used to operate capital equipment.

Proposed law provides that except for exemptions required by law, a political subdivision may provide for a local sales and use tax exemption for certain medical exemptions exempt from state taxes in present law.

Proposed law authorizes a political subdivision by ordinance or resolution to provide for an optional local sales tax exemption but requires the ordinance or resolution to adopt all of the definitions, exemptions, and limitations included in the state sales tax statute.

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. However, this exemption is permissive rather than mandatory for sales taxes levied by local taxing authorities.

Proposed law provides that for purposes of the exemption, 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.

Present law provides that the tax imposed by any taxing authority shall not apply to sales of materials, equipment, and machinery that enter into and become component parts of certain ships, vessels, or barges.

Proposed law adds software to the exemption, limits the exemption to certain vessels, and otherwise retains present law.

Present law provides that taxes imposed by any taxing authority shall not apply to materials and supplies purchased by the owners or operators of certain ships, barges, or vessels; repair services performed upon such ships, barges, or vessels; or laundry services performed for the owners or operators of such ships, barges, or vessels.

Proposed law adds software, digital goods, prewritten computer software access services, and certain information services to the exemption, limits the exemption to certain vessels, and otherwise retains present law.

Proposed law shall not 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.

Proposed law defines a "vessel" to mean a ship, vessel, or barge, including a commercial fishing vessel, drilling ship, or drilling barge.

Present law provides the sales and use tax imposed by taxing authorities shall not apply to 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 La. Association of Independent Colleges and Universities, if the purchase, lease, or rental is directly related to the educational mission of the institution.

Proposed law adds an exemption for the purchase, lease, or rental of tangible personal property or services by the Edward Via College of Osteopathic Medicine, if the purchase, lease, or rental is directly related to the educational mission of the institution.

Present law exempts the state, any parish, city and municipality, district, or other political subdivision thereof, or any agency, board, commission, or instrumentality of this state or its political subdivisions from sales and use taxes imposed by any taxing authority.

Proposed law extends the sales tax exemption for governmental transactions 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. However, for purposes of state sales and use taxes, the exemption shall not apply to purchases made as part of a payment in lieu of taxes or other similar agreement, unless the agreement is approved by the secretaries of DOR and LED.

Proposed law requires the secretary of LED, in consultation with the secretary of DOR and the state's eight regional economic development organizations, to promulgate administrative rules in accordance with the Administrative Procedure Act establishing the approval criteria used to approve an exemption of any state sales and use taxes.

Proposed law requires the general contractor or their subcontractor to obtain a certificate of exemption from the secretary of the Department of Revenue, hereinafter DOR, prior to claiming the exemption. Further provides that the certificate of exemption shall be in a form and manner prescribed by the secretary.

Proposed law limits the state and local sales and use taxes levied on boats registered in La. from exceeding \$20,000 after application of the credits provided for in present law if the tax is paid within 90 days of purchase. If the aggregate state and local sales and use tax on a boat would have equaled an amount exceeding \$20,000, the actual tax collected shall be divided equally between state and local taxing authorities.

Proposed law further requires, beginning July 1, 2030, for the \$20,000 maximum amount of taxes on boat registrations to be adjusted by an amount calculated by multiplying the amount of the prior year's amount by the percentage increase in the Consumer Price Index U.S. city average for all urban consumers (CPI-U), as reported by the U.S. Dept. of Labor, Bureau of Labor Statistics, or its successor.

Proposed law establishes the initial annual baseline collection rate for the sales tax area of a medical and bioscience district first established by the legislature during the 2005 R.S. shall be \$1,272,394.

Applicability and Effectiveness

The provisions of proposed law, with respect to software and digital products as a part of ships and ships' supplies, the purchase, lease, or rental of educational materials by the Edward Via College of Osteopathic Medicine, certain purchases by general contractors for public projects, and the exemption for sales taxes on purchases of certain boats, are applicable to taxable periods beginning on or after July 1, 2025.

The provisions of proposed law with respect to charges for certain repair services, the lease or rental of motor vehicles by license motor vehicle dealers or vehicle manufacturers, the exemption with respect to certain nonprofit organizations, the exemption for sickle cell disease organizations, the exemption for Habitat for Humanity, and the exemption for qualifying radiation therapy treatment centers shall be applicable to taxable periods beginning on or after Jan. 1, 2025, for purposes of state sales and use tax and to taxable periods beginning on or after July 1, 2025, for purposes of sales and use taxes levied by a political subdivision.

All other provisions of proposed law shall be applicable to taxable periods beginning on or after Jan. 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)(ix), 301.1(F), 301.3(7)(a) and (10)(a), 305.1(A), (B), (C)(1)(intro. para.) 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); Adds R.S. 33:9038.34(P), R.S. 39:100.118, and R.S. 47:301.3(11), 301.4(C)(4), 305(E)(4) and (L), 305.1(C)(6), 305.12(E), 305.14, 305.21, 305.22, 305.23, 305.64, 337.4(B)(4), and 337.10(E); Repeals R.S. 47:301.6(B) and (C), 305.2(A)(4), and 305.36(E))