

Regular Session, 2013

HOUSE BILL NO. 405

BY REPRESENTATIVE RITCHIE

TAX/SALES & USE: Reduces the rate of the state tax levied on the sale, use, consumption, distribution, and storage of certain items of tangible personal property and certain services in La.

1 AN ACT

2 To amend and reenact R.S.47:302(A), (B), and (C)(1), relative to state sales and use taxes;
3 to provide relative to the rate of the state tax levied on certain items of tangible
4 personal property; to provide relative to the state tax levied on the lease or rental of
5 certain items of tangible personal property; to provide relative to the state tax levied
6 on certain services; to reduce the rate of such tax; to provide for effectiveness; and
7 to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:302(A), (B), and (C)(1) are hereby amended and reenacted to read
10 as follows:

11 §302. Imposition of tax

12 A. There is hereby levied a tax upon the sale at retail, the use, the
13 consumption, the distribution, and the storage for use or consumption in this state,
14 of each item or article of tangible personal property, as defined herein, the levy of
15 said tax to be as follows:

16 (1) At the rate of ~~two per centum (2%)~~ one percent (1%) of the sales price
17 of each item or article of tangible personal property when sold at retail in this state;
18 the tax to be computed on gross sales for the purpose of remitting the amount of tax
19 due the state, and to include each and every retail sale.

1 (2) At the rate of ~~two per centum (2%)~~ one percent (1%) of the cost price of
 2 each item or article of tangible personal property when the same is not sold but is
 3 used, consumed, distributed, or stored for use or consumption in this state; provided
 4 there shall be no duplication of the tax.

5 B. There is hereby levied a tax upon the lease or rental within this state of
 6 each item or article of tangible personal property, as defined herein; the levy of said
 7 tax to be as follows:

8 (1) At the rate of ~~two per centum (2%)~~ one percent (1%) of the gross
 9 proceeds derived from the lease or rental of tangible personal property, as defined
 10 herein, where the lease or rental of such property is an established business, or part
 11 of an established business, or the same is incidental or germane to the said business.

12 (2) At the rate of ~~two per centum (2%)~~ one percent (1%) of the monthly lease
 13 or rental price paid by lessee or rentee, or contracted or agreed to be paid by lessee
 14 or rentee to the owner of the tangible personal property.

15 C.(1) There is hereby levied a tax upon all sales of services, as herein
 16 defined, in this state, at the rate of ~~two~~ one percent of the amounts paid or charged
 17 for such services.

18 * * *

19 Section 2. This Act shall become effective on January 1, 2014, and shall be
 20 applicable to all tax years beginning on and after January 1, 2014.

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)]

Ritchie

HB No. 405

Abstract: Reduces the rate for a portion of the state sales and use tax from 2% to 1% on the retail sale, use, consumption, distribution, lease, rental, and storage or certain items of tangible personal property and on certain services.

Present law provides for the levy of a tax on the retail sale, the use, the consumption, the distribution, and the storage for use or consumption in La., of each item of tangible personal property (TPP), as defined in present law, as follows:

- (1) 2% of the sales price of each item of TPP when sold at retail in La. to be computed on gross sales.
- (2) 2% of the cost price of each item of TPP when used, consumed, distributed, or stored for use or consumption in La., provided there is no duplication of the tax.

Present law provides for the levy of a tax on the lease or rental within La. of each item of TPP as follows:

- (1) 2% of the gross proceeds derived from the lease or rental of TPP, when the lease or rental of such property is an established business, part of an established business, or is incidental or germane to the business.
- (2) 2% of the monthly lease or rental price paid by a lessee or contracted or agreed to be paid by a lessee to the owner of the TPP.

Proposed law reduces the present law rate of the state tax levied on the purchase, sale, use, consumption, distribution, storage for use or consumption, and the lease or rental of each item of TPP in La. from 2% to 1%.

Present law provides for the levy of a state tax on all sales of services, as defined in present law. The rate of the tax is 2% of the amounts paid or charged for such services.

Proposed law reduces the present law rate of the state tax levied on the sales of services from 2% to 1%.

Effective Jan. 1, 2014, and applicable to all tax years beginning on and after Jan. 1, 2014.

(Amends 47:302(A), (B), and (C)(1))