TAX/SALES-USE, STATE: Provides relative to the state sales and use tax (Item \#30)

## AN ACT

To amend and reenact R.S. 47:302(A), (B), and (C)(1), relative to state sales and use tax; to provide for the rates of the state sales and use tax; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:
Section 1. R.S. 47:302(A), (B), and (C)(1) are hereby amended and reenacted to read as follows:
§302. Imposition of tax
A. There is hereby levied a tax upon the sale at retail, 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, as defined herein, the levy of said tax to be as follows:
(1) At the rate of per centum (2\%) one and one-tenth percent (1.1\%) of the sales price of each item or article of tangible personal property when sold at retail in this state; the tax to be computed on gross sales for the purpose of remitting the amount of tax due the state, and to include each and every retail sale.
(2) At the rate of two per centum ( $2 \%$ ) one and one-tenth percent ( $1.1 \%$ ) of the cost price of each item or article of tangible personal property when the same is not sold but is used, consumed, distributed, or stored for use or consumption in this state; provided there shall be no duplication of the tax.

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B. There is hereby levied a tax upon the lease or rental within this state of each item or article of tangible personal property, as defined herein; the levy of said tax to be as follows:
(1) At the rate of percentum (2\%) one and one-tenth percent (1.1\%) of the gross proceeds derived from the lease or rental of tangible personal property, as defined herein, where the lease or rental of such property is an established business, or part of an established business, or the same is incidental or germane to the said business.
(2) At the rate of per centum ( $2 \%$ ) one and one-tenth percent (1.1\%) of the monthly lease or rental price paid by lessee or rentee, or contracted or agreed to be paid by lessee or rentee to the owner of the tangible personal property.
C.(1) There is hereby levied a tax upon all sales of services, as herein defined, in this state, at the rate of two percent one and one-tenth percent (1.1\%) of the amounts paid or charged for such services.

Section 2. This Act shall take effect and become operative if and when the proposed amendment of Article VII of the Constitution of Louisiana contained in the Act which originated as House Bill No. $\qquad$ of this 2016 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

## 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 114 Original 2016 First Extraordinary Session Thibaut


#### Abstract

Decreases the overall state sales and use tax rate from $4 \%$ to $3.11 \%$. Present law imposes an overall $4 \%$ state sales and use tax upon the sale at retail, 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 as well as certain services.

Present constitution establishes exemptions for food for home preparation and consumption, prescription drugs, and residential utilities.


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Proposed law decreases the overall state sales tax rate levied in from $4 \%$ to $3.11 \%$ and, more specifically, reduces from $2 \%$ to $1.1 \%$ the sales tax imposed and present law that is being amended.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. $\qquad$ of this 2016 R.S. of the Legislature is adopted at a statewide election and becomes effective.
(Amends R.S. 47:301(A), (B), and (C)(1))

