

2019 Regular Session

HOUSE BILL NO. 304

BY REPRESENTATIVE DWIGHT

TAX EXEMPTIONS: Provides for state sales and use tax exemption for new automobiles, aircraft, boats, vessels or other water craft used as demonstrators

1 AN ACT

2 To amend and reenact R.S. 47:305(D)(1)(i) and to enact R.S. 47:302(BB)(110), 321(P)(111),
3 321.1(I)(111), and 331(V)(111), relative to sales and use tax; to provide for a sales
4 and use tax exemption for certain vehicles, aircraft, boats, and water craft as used as
5 demonstrators; to provide for restrictions and limitations on the use of the vehicles,
6 air craft, boats, and water craft; to provide for the effectiveness of the exemption; to
7 provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:305(D)(1)(i) is hereby amended and reenacted and R.S.
10 47:302(BB)(110), 321(P)(111), 321.1(I)(111), and 331(V)(111) are hereby enacted to read
11 as follows:

12 §302. Imposition of tax

13 * * *

14 BB. Notwithstanding any other provision of law to the contrary, including
15 but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
16 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
17 levied pursuant to the provisions of this Section, except for the retail sale, use,
18 consumption, distribution, or storage for use or consumption of the following:

19 * * *

1 (110) New trucks, new automobiles, new aircraft, and new boats, vessels, or
2 other water craft withdrawn from stock or kept in dealer inventory and used as
3 demonstrators as provided in R.S.47:305(D)(1)(i).

4 * * *

5 §305. Exclusions and exemptions from the tax

6 * * *

7 D.(1) The sale at retail, the use, the consumption, the distribution, and the
8 storage to be used or consumed in the taxing jurisdiction of the following tangible
9 personal property is hereby specifically exempted from the tax imposed by taxing
10 authorities, except as otherwise provided in this Paragraph:

11 * * *

12 (i) New trucks, new automobiles, new aircraft, and new boats, vessels, or
13 other water craft withdrawn from stock or kept in a dealer's inventory by factory
14 authorized new truck, new automobile, new aircraft dealers, and factory-authorized
15 dealers of new boats, vessels, or other water craft, and used trucks and used
16 automobiles withdrawn from stock or kept in a dealer's inventory by new or used
17 motor vehicle dealers, ~~which are withdrawn~~ for use as demonstrators.

18 * * *

19 §321. Imposition of tax

20 * * *

21 P. Notwithstanding any other provision of law to the contrary, including but
22 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
23 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
24 levied pursuant to the provisions of this Section, except for the retail sale, use,
25 consumption, distribution, or storage for use or consumption of the following:

26 * * *

27 (111) New trucks, new automobiles, new aircraft, and new boats, vessels, or
28 other water craft withdrawn from stock or kept in dealer inventory and used as
29 demonstrators as provided in R.S.47:305(D)(1)(i).

30 * * *

1 §321.1. Imposition of tax

2 * * *

3 I. Notwithstanding any other provision of law to the contrary, including but
4 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
5 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
6 levied pursuant to the provisions of this Section, except for the retail sale, use,
7 consumption, distribution, or storage for use or consumption of the following:

8 * * *

9 (111) New trucks, new automobiles, new aircraft, and new boats, vessels, or
10 other water craft withdrawn from stock or kept in dealer inventory and used as
11 demonstrators as provided in R.S.47:305(D)(1)(i).

12 * * *

13 §331. Imposition of tax

14 * * *

15 V. Notwithstanding any other provision of law to the contrary, including but
16 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
17 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
18 levied pursuant to the provisions of this Section, except for the retail sale, use,
19 consumption, distribution, or storage for use or consumption of the following:

20 * * *

21 (111) New trucks, new automobiles, new aircraft, and new boats, vessels, or
22 other water craft withdrawn from stock or kept in dealer inventory and used as
23 demonstrators as provided in R.S.47:305(D)(1)(i).

24 * * *

25 Section 2. This Act shall become effective upon signature by the governor or, if not
26 signed by the governor, upon expiration of the time for bills to become law without signature
27 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
28 vetoed by the governor and subsequently approved by the legislature, this Act shall become
29 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 304 Original

2019 Regular Session

Dwight

Abstract: Reinstates the effectiveness of the sales and use tax exemption for new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft withdrawn from stock that are used as demonstrators and extends the exemption to include vehicles *kept in a dealer's inventory*.

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

- R.S. 47:302 - 2%
- R.S. 47:321 - 1%
- R.S. 47:321.1 - .45%
- R.S. 47:331 - .97%
- R.S. 51:1286 - .03%

Present law exempts new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft withdrawn from stock by factory authorized new truck, new automobile, new aircraft dealers, and factory-authorized dealers of new boats, vessels, or other water craft, and used trucks and used automobiles withdrawn from stock by new or used motor vehicle dealers for use as demonstrators from sales and use tax.

Proposed law retains present law but includes not only new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft withdrawn from stock but also those that are *kept in a dealer's inventory* and used as demonstrators.

Present law suspends numerous exemptions from the four levies of state sales and use tax (R.S. 47:302, 321, 321.1, and 331) through June 30, 2025, including the exemption for new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft used as demonstrators.

Proposed law changes present law by adding the exemption for new trucks, new automobiles, new aircraft, and new boats, vessels, or other water craft used as demonstrators to the list of exemptions that are effective through June 30, 2025.

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

(Amends R.S. 47:305(D)(1)(i); Adds R.S. 47:302(BB)(110), 321(P)(111), 321.1(I)(111), and 331(V)(111))