

2019 Regular Session

HOUSE BILL NO. 209

BY REPRESENTATIVES DAVIS, BAGLEY, DWIGHT, HILFERTY, MAGEE, MCFARLAND, STEFANSKI, AND ZERINGUE AND SENATORS BOUDREAUX, JOHNS, MARTINY, MORRISH, GARY SMITH, AND WHITE

TAX EXEMPTIONS: Authorizes a 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 used as  
5 demonstrators; to provide for restrictions and limitations on the use of the vehicles,  
6 aircraft, boats, and water craft; to provide for the effectiveness; and to provide for  
7 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

1       levied pursuant to the provisions of this Section, except for the retail sale, use,  
2       consumption, distribution, or storage for use or consumption of the following:

3                                   \*       \*       \*

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5       other water craft withdrawn from stock or kept in dealer inventory and used as  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

7                                   \*       \*       \*

8       §305. Exclusions and exemptions from the tax

9                                   \*       \*       \*

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

14                                   \*       \*       \*

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16       other water craft withdrawn from stock or kept in a dealer's inventory by factory  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19       automobiles withdrawn from stock or kept in a dealer's inventory by new or used  
20       motor vehicle dealers, ~~which are withdrawn~~ for use as demonstrators.

21                                   \*       \*       \*

22       §321. Imposition of tax

23                                   \*       \*       \*

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

29                                   \*       \*       \*

1               (111) 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               §321.1. Imposition of tax

6   \*               \*               \*

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

12   \*               \*               \*

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

16   \*               \*               \*

17              §331. Imposition of tax

18   \*               \*               \*

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

24   \*               \*               \*

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

28   \*               \*               \*

1 Section 2. This Act shall become effective upon signature by the governor or, if not  
 2 signed by the governor, upon expiration of the time for bills to become law without signature  
 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 5 effective on the day following such approval.

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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)]

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HB 209 Engrossed

2019 Regular Session

Davis

**Abstract:** Provides for 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 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 dealers, 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 extends the exemption in present law to vehicles kept in a dealer's inventory in addition to those 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 withdrawn from stock or kept in a dealer's inventory used as demonstrators to the list of exemptions that are effective through June 30, 2025.

Effective upon signature of the 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))