HLS 19RS-1034 ORIGINAL

2019 Regular Session

HOUSE BILL NO. 599

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each and every retail sale.

BY REPRESENTATIVE LANCE HARRIS

TAX/SALES & USE: Reduces the rate of the .45% state sales and use tax levy over a certain period of time

AN ACT

To amend and reenact R.S. 47:321.1(A) through (C) and to repeal R.S. 47:321.1, relative to 2 3 state sales and use taxes; to reduce a certain state sales and use tax over a certain 4 period of time; to repeal a certain state sales and use tax; to provide for effectiveness; 5 and to provide for related matters. 6 Be it enacted by the Legislature of Louisiana: Section 1. R.S. 47:321.1 (A) through (C) are hereby amended and reenacted to read 7 8 as follows: 9 §321.1. Imposition of tax 10 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and 11 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an 12 additional tax upon the sale at retail, the use, the consumption, the distribution, and 13 the storage for use or consumption in this state of each item or article of tangible 14 personal property as defined in Chapter 2 of this Subtitle. The levy of said tax shall 15 be as follows: 16 (1)(a) Except as provided in Subparagraph (b) of this Paragraph, At at the rate 17 of forty-five hundredths of one percent of the sales price of each item or article of 18 tangible personal property when sold at retail in this state, the tax to be computed on 19 gross sales for the purpose of remitting the amount of tax to the state, and to include

Page 1 of 5

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

| 1 | (b) Beginning July 1, 2020, the rate of the sales and use tax levied pursuant |
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| 2 | to provisions of this Paragraph on the sales price of each item or article of tangible |
| 3 | personal property when sold at retail in this state, the tax to be computed on gross |
| 4 | sales for the purpose of remitting the amount of tax to the state, and to include each |
| 5 | and every retail sale shall be reduced as follows: |
| 6 | (i) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one |
| 7 | percent. |
| 8 | (ii) Beginning July 1, 2021, the rate shall be twenty-five hundredths of one |
| 9 | percent. |
| 10 | (iii) Beginning July 1, 2022, the rate shall be fifteen hundredths of one |
| 11 | percent. |
| 12 | (2)(a) Except as provided in Subparagraph (b) of this Paragraph, At at the rate |
| 13 | of forty-five hundredths of one percent of the cost price of each item or article of |
| 14 | tangible personal property when the same is not sold but is used, consumed, |
| 15 | distributed, or stored for use or consumption in this state, provided that there shall |
| 16 | be no duplication of the tax. |
| 17 | (b) Beginning July 1, 2020, the rate of the sales and use tax levied pursuant |
| 18 | to provisions of this Paragraph on the cost price of each item or article of tangible |
| 19 | personal property when the same is not sold but is used, consumed, distributed, or |
| 20 | stored for use or consumption in this state, provided that there shall be no duplication |
| 21 | of the tax shall be reduced as follows: |
| 22 | (i) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one |
| 23 | percent. |
| 24 | (ii) Beginning July 1, 2021, the rate shall be twenty-five hundredths of one |
| 25 | percent. |
| 26 | (iii) Beginning July 1, 2022, the rate shall be fifteen hundredths of one |
| 27 | percent. |
| 28 | B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and |
| 29 | collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied a |

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| 2 | personal property, as defined by Chapter 2 of this Subtitle; the levy of the tax to be |
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| 3 | as follows: |
| 4 | (1)(a) Except as provided in Subparagraph (b) of this Paragraph, At at the rate |
| 5 | of forty-five hundredths of one percent of the gross proceeds derived from the lease |
| 6 | or rental of tangible personal property, as defined in Chapter 2 of this Subtitle, where |
| 7 | the lease or rental of such property is in an established business, or part of an |
| 8 | established business, or the same is incidental or germane to the business. |
| 9 | (b) Beginning July 1, 2020, the rate of the sales and use tax levied pursuant |
| 10 | to provisions of this Paragraph on the gross proceeds derived from the lease or rental |
| 11 | of tangible personal property, as defined in Chapter 2 of this Subtitle, where the lease |
| 12 | or rental of such property is in an established business, or part of an established |
| 13 | business, or the same is incidental or germane to the business shall be reduced as |
| 14 | follows: |
| 15 | (i) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one |
| 16 | percent. |
| 17 | (ii) Beginning July 1, 2021, the rate shall be twenty-five hundredths of one |
| 18 | percent. |
| 19 | (iii) Beginning July 1, 2022, the rate shall be fifteen hundredths of one |
| 20 | percent. |
| 21 | (2)(a) Except as provided in Subparagraph (b) of this Paragraph, At at the rate |
| 22 | of forty-five hundredths of one percent of the monthly lease or rental price paid by |
| 23 | a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee to the |
| 24 | owner of the tangible personal property. |
| 25 | (b) Beginning July 1, 2020, the rate of the sales and use tax levied pursuant |
| 26 | to provisions of this Paragraph on the monthly lease or rental price paid by a lessee |
| 27 | or rentee, or contracted or agreed to be paid by a lessee or rentee to the owner of |
| 28 | tangible personal property shall be reduced as follows: |
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tax upon the lease or rental within this state of each item or article of tangible

| 1 | (i) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one |
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| 2 | percent. |
| 3 | (ii) Beginning July 1, 2021, the rate shall be twenty-five hundredths of one |
| 4 | percent. |
| 5 | (iii) Beginning July 1, 2022, the rate shall be fifteen hundredths of one |
| 6 | percent. |
| 7 | C. In addition to the tax levied on sales of services by R.S. 47:302(C), |
| 8 | 321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle, |
| 9 | there is hereby levied a tax upon all sales of services in this state, as those services |
| 10 | are defined by Chapter 2 of this Subtitle, at the rate of forty-five hundredths of one |
| 11 | percent of the amounts paid or charged for the services. Beginning July 1, 2020, the |
| 12 | rate of the tax levied on all sales of services pursuant to the provisions of this |
| 13 | Subsection shall be reduced as follows: |
| 14 | (1) Beginning July 1, 2020, the rate shall be thirty-five hundredths of one |
| 15 | percent of the amounts paid or charged for the services. |
| 16 | (2) Beginning July 1, 2021, the rate shall be twenty-five hundredths of one |
| 17 | percent of the amounts paid or charged for the services. |
| 18 | (3) Beginning July 1, 2022, the rate shall be fifteen hundredths of one percent |
| 19 | of the amounts paid or charged for the services. |
| 20 | * * * |
| 21 | Section 2. R.S. 47:321.1 is hereby repealed in its entirety. |
| 22 | Section 3. Sections 1 and 3 of this Act shall become effective on July 1, 2020, and |
| 23 | Section 2 of this Act shall become effective on July 1, 2023. |
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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)]

HB 599 Original

2019 Regular Session

Lance Harris

Abstract: Beginning July 1, 2020, reduces the .45% sales and use state tax levied over a period of three fiscal years and repeals the levy in its entirety on July 1, 2023.

Page 4 of 5

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<u>Present law</u> imposes a state sales and use tax on the sale, use, lease, or rental of tangible personal property and sales of services in the state 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%

<u>Proposed law</u> reduces the rate of the .45% state sales and use tax levied on the sale at retail, the use, the consumption, the distribution, and the storage for the use or consumption of tangible personal property, the monthly lease or rental price of items of tangible personal property, and services as follows:

- (1) Beginning July 1, 2020, the rate will be reduced to .35%
- (2) Beginning July 1, 2021, the rate will be reduced to .25%
- (3) Beginning July 1, 2022, the rate will be reduced to .15%

<u>Proposed law</u> repeals the levy of the state sales and use taxes in <u>present law</u> (R.S. 47:321.1) on July 1, 2023.

Effective July 1, 2020.

(Amends R.S. 47:321.1(A) through (C); Repeals R.S. 47:321.1)