

RÉSUMÉ DIGEST

ACT 35 (HB 69)

2020 First Extraordinary Session

Deshotel

Existing 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%

Existing constitution provides that the governing authority of any local governmental subdivision or school board may levy and collect a sales and use tax on tangible personal property.

New law authorizes a winning bidder that is awarded a census block in the Rural Digital Opportunity Fund Auction to claim a rebate of state and local sales and use taxes paid by the winning bidder on fiber-optic cable equipment used for broadband networks in unserved areas in La.

New law provides that the amount of the rebate shall equal 50% of the sales and use tax paid by the winning bidder on fiber-optic cable equipment.

New law identifies specific materials considered to be "fiber-optic cable equipment".

New law defines an "unserved area" as an area that has internet service levels below the minimum acceptable level of fixed broadband service as defined in federal law (7 U.S.C. 950bb(e)(1)).

New law limits eligibility for each item of fiber-optic cable equipment to a single rebate and prohibits eligibility on subsequent transactions involving the sale or resale of the same item of fiber-optic cable equipment.

New law prohibits rebates for purchases of fiber-optic cable equipment paid for with state or federal funds, unless the state or federal funds are reported as taxable income or are structured as repayable loans.

New law requires the claim for a state sales and use tax rebate to be processed by the Dept. of Revenue. New law further requires the purchaser claiming the state rebate to submit specific documentation related to the fiber-optic cable equipment purchase as well as documentation evidencing the purchaser's status in the Rural Digital Opportunity Fund Auction.

New law provides that the secretary of the Dept. of Revenue may promulgate rules to implement the rebate.

New law requires the claim for a local sales and use tax rebate to be processed by the appropriate local taxing authority. New law further requires the purchaser claiming the local rebate to submit specific documentation related to the fiber-optic cable equipment purchase as well as documentation evidencing the purchaser's status in the Rural Digital Opportunity Fund Auction.

New law provides that the Louisiana Uniform Local Sales Tax Board may promulgate rules necessary to implement the local rebate.

Effective July 1, 2020.

(Adds R.S. 47:305.73)