

2021 Regular Session

HOUSE BILL NO. 540

BY REPRESENTATIVE HILFERTY

TAX/SALES & USE: Provides a sales and use tax exemption for purchases of construction materials by certain charitable organizations

1 AN ACT

2 To amend and reenact R.S. 47:305.65(A) and to enact R.S. 47:302(BB)(114), 321(P)(115),  
3 321.1(I)(115), and 331(V)(115), relative to sales and use tax exemptions; to provide  
4 for a sales and use tax exemption for construction materials sold to certain charitable  
5 organizations for the purpose of constructing, rehabilitating, or renovating certain  
6 residential dwellings; to provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:305.65(A) is hereby amended and reenacted and R.S.  
9 47:302(BB)(114), 321(P)(115), 321.1(I)(115), and 331(V)(115) are hereby enacted to read  
10 as follows:

11 §302. Imposition of tax

12 \* \* \*

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

18 \* \* \*



1 through June 30, 2025, there shall be no exemptions and no exclusions to the tax  
2 levied pursuant to the provisions of this Section, except for the retail sale, use,  
3 consumption, distribution, or storage for use or consumption of the following:

4 \* \* \*

5 (115) Construction materials sold to certain charitable groups used for  
6 constructing, rehabilitating, or renovating certain residential dwellings pursuant to  
7 R.S. 47:305.65.

8 \* \* \*

9 §331. Imposition of tax

10 \* \* \*

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

16 \* \* \*

17 (115) Construction materials sold to certain charitable groups used for  
18 constructing, rehabilitating, or renovating certain residential dwellings pursuant to  
19 R.S. 47:305.65.

20 \* \* \*

21 Section 2. This Act shall become effective upon signature by the governor or, if not  
22 signed by the governor, upon expiration of the time for bills to become law without signature  
23 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
24 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
25 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 540 Original

2021 Regular Session

Hilferty

**Abstract:** Provides for a sales and use tax exemption for sales of construction materials to certain charitable organizations if the materials are used for constructing, rehabilitating, or renovating certain residential dwellings.

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 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, and provides a list of exemptions that are currently effective.

Present law authorizes a sales and use tax exemption on the sales of construction materials to Hands on New Orleans and Rebuilding Together New Orleans if the materials are used to construct, rehabilitate, or renovate residential dwellings in La. which were destroyed or damaged by Hurricane Katrina or Hurricane Rita.

Proposed law removes the requirement that the residential dwellings were destroyed or damaged by Hurricane Katrina or Hurricane Rita.

Present law suspends effectiveness of the charitable residential construction, rehabilitation, and renovation sales and use tax exemption, through June 30, 2025, thereby making these items subject to state sales and use tax.

Proposed law adds the charitable residential construction, rehabilitation, and renovation sales and use tax exemption to the list of exemptions currently effective through June 30, 2025.

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

(Amends R.S. 47:305.65(A); Adds R.S. 47:302(BB)(114), 321(P)(115), 321.1(I)(115), and 331(V)(115))