
DIGEST

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HB 605 Original

2021 Regular Session

Wright

Abstract: Provides for state and local sales and use taxes.

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%

Proposed law repeals present law (R.S. 47:302, 321, 321.1, and 331).

Proposed law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property at a rate of 2.97%.

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 numerous sales and use tax exemptions and exclusions.

Present law suspends effectiveness of various sales and use tax exemptions and exclusions, through June 30, 2025, thereby making these items subject to state sales and use tax.

Proposed law repeals certain state and local sales and use tax exemptions and exclusions including those for:

- (1) Sales and use taxes on the installation of certain tangible personal property.
- (2) Sales and use taxes on certain motor vehicles.
- (3) Sales and use taxes on certain manufacturing machinery and equipment.
- (4) Sales and use taxes on certain purchases by paper and wood manufacturers and loggers.
- (5) Sales and use taxes on purchases by regionally accredited independent education institutions.

- (6) Sales and use taxes on purchases by certain nonprofit entities.
- (7) Sales and use taxes on sales of marijuana recommended for therapeutic use.
- (8) Sales and use taxes on purchases of tangible personal property for lease or rental.
- (9) Sales and use taxes on sales of raw agricultural commodities.
- (10) Sales and use taxes on pollution control devices and systems.
- (11) Sales and use taxes on certain aircraft.
- (12) Sales and use taxes on sales of cellular telephones and electronic accessories.
- (13) Sales and use taxes on purchases of propane and butane.
- (14) Sales and use taxes on purchases of certain educational materials.
- (15) Sales and use taxes on articles traded in on tangible personal property.
- (16) Sales and use taxes on certain farm equipment.
- (17) Sales and use taxes on repairs, renovations, or conversions of drilling rigs.
- (18) Sales and use taxes on certain pharmaceuticals.
- (19) Sales and use taxes on manufactured homes.
- (20) Sales and use taxes on certain constructions permanently attached to the ground.
- (21) Sales and use taxes on purchases by motor vehicle manufacturers.
- (22) Sales and use taxes on purchases by glass manufacturers.
- (23) Sales and use taxes on sales of newspapers.
- (24) Sales and use taxes on certain telecommunications services.
- (25) Sales and use taxes on purchases by nonprofit electric cooperatives,
- (26) Sales and use taxes on purchase by a public trust.
- (27) Sales and use taxes on sales of farm products direct from the farm.
- (28) Sales and use taxes on livestock and racehorses.

- (29) Sales and use taxes on certain farm products.
- (30) Sales and use taxes on gasoline, diesel fuel, and special fuel.
- (31) Sales and use taxes on certain utilities.
- (32) Sales and use taxes on certain medical devices and equipment.
- (33) Sales and use tax on sales of meals by certain institutions.
- (34) Sales and use taxes on property purchased for exclusive use outside of the state.
- (35) Sales and use taxes on certain contracts entered into ninety days prior to the levy of a new tax.
- (36) Sales and use taxes on the lease or rental of certain vessels in offshore mineral production.
- (37) Sales and use taxes on certain seafood processing facilities.
- (38) Sales and use taxes on certain farming equipment.
- (39) Sales and use taxes on gasohol.
- (40) Sales and use taxes on speciality Mardi Gras items purchased or sold by certain organizations.
- (41) Sales and use taxes on purchases and sales by Ducks Unlimited and Bass Life.
- (42) Sales and use taxes on piggyback trailers or containers.
- (43) Sales and use taxes on rolling stock and per diem car hire charges.
- (44) Sales and use taxes on catalogs distributed in Louisiana.
- (45) Sales and use taxes on certain trucks, trailers, and buses.
- (46) Sales and use taxes on sales of one-of-a-kind works of art.
- (47) Sales and use taxes on the purchase, lease, or repair of certain capital equipment and computer software of qualifying radiation therapy treatment centers.
- (48) Sales and use taxes on purchases of breast-feeding items.
- (49) Sales and use taxes on purchase by certain charitable and nonprofit organizations.

(50) Sales and use taxes on antique airplanes and motor vehicles.

Present law levies a sales and use tax on certain services.

Present law exempts sales of advertising services from sales and use tax.

Proposed law levies a state and local sales and use tax on the following services:

- (1) Certain advertising services delivered into La., including:
 - (a) Services involved in the conceptualization development, production, or refinement of original advertising material created by a business or person for reproduction as tangible personal property or digital property.
 - (b) Creative concept development.
 - (c) Design services.
 - (d) Layout services.
 - (e) Consultation services.
 - (f) Research services.
 - (g) Script and copy writing services.
 - (h) Art preparation.
 - (i) Printing services.
 - (j) Photo retouching services.
 - (k) Photography and videography services.
 - (l) Sound recording services.
 - (m) Public relation services.
 - (n) Account management services.
- (2) Photo processing and video rental services.
- (3) Certain household services including but not limited to moving services, landscaping, cleaning, and home repair services.

- (4) Veterinary services and animal boarding services.
- (5) Personal care grooming services.
- (6) Financial advising and planning services.
- (7) Investment advising services.
- (8) Trust, fiduciary, and other custody services.
- (9) Legal services.
- (10) Accounting services.
- (11) Real estate and property management services.
- (12) Rental housing services.
- (13) Outpatient healthcare medical services.
- (14) Inpatient healthcare medical services.
- (15) Nursing home, assisted living, home health care, and hospice care services.
- (16) Child care, day care, and nursery school services.
- (17) Labor organization dues.
- (18) Professional association dues.
- (19) Higher education tuition and related expenses.
- (20) Elementary and secondary tuition and related expenses.

Proposed law levies a sales and use tax on digital goods delivered into La.

Proposed law defines digital goods as:

- (1) Digital products or prewritten computer software delivered electronically to an end user, regardless of whether the end user receives permanent or temporary rights to access or utilize the product or software or whether the end user is required to make continued payments for the rights or access.
- (2) Digital products or prewritten computer software in which a person may be permitted rights for access or use and possession is maintained by the seller or a third party, regardless of whether charges for access or utilization are per use, per user, per license, or by subscription.

- (3) Digital codes.
- (4) Rights, licenses, or benefits delivered electronically to enhance, maintain, update, renew, upgrade, or expand benefits for digital products or prewritten computer software.

Proposed law defines digital code as a key, activation, or enabling code that provides the purchaser with a right or access to obtain one or more digital products that may be obtained by any means including electronic or tangible means. Digital code shall not include a code that represents stored monetary value that is deducted from a total as it sued by the purchaser or a redeemable card, gift card, or gift certificate that entitles the holder of the instrument to select specified digital products of an indicated cash value.

Proposed law provides digital product shall include the following:

- (1) Digital audiovisual works.
- (2) Digital audio works.
- (3) Digital books.
- (4) Digital artwork.
- (5) Digital photographs.
- (6) Digital periodicals.
- (7) Digital newspapers.
- (8) Digital magazines.
- (9) Digital video greeting cards.
- (10) Audio greeting cards.
- (11) Digital greeting cards or invitations.
- (12) Video games.

(Amends R.S. 47:301(3)(a) and (4)(intro. para.), 305.14(A)(1)(a), 305.20(A) and (C), and 337.9(D)(10) and R.S. 51:1286(B); Adds R.S. 47:301(14)(l) through (ee), (16)(r), and (31), 305.25(D), 305.54(H), 305.58(G), 305.62(G) and 331.1; Repeals R.S. 38:2212.4(C) and R.S. 47:301(3)(a), (e), (i), and (k), (8)(b) and (f), (10)(a)(i) through (iii), (e), (l), (m), (v) through (x), (cc), and (ii), (13)(a) through (c), (g), (h), and (k), (14)(b)(i)(bb), and (g)(iii) and (iv), (16)(c), (f), (g), and (l) through (p), (18)(a)(iii), (i), (j), and (n), and (28), 301.1(B)(2), 302(A) through (J) and (L) through

(BB), 305(A)(1) through (3), (B), (D)(1)(a), (c), (j), (k)(i), (l), (m), and (s) through (u), (2), and (3)(b), (F), (G), and (I), 305.2, 305.3, 305.10, 305.11, 305.16, 305.17, 305.19, 305.26, 305.28, 305.36, 305.39, 305.40, 305.41, 305.45, 305.49, 305.50, 305.57, 305.67, 305.68, 305.70, 305.71, 321, 321.1, 331, 337.9(B), (C)(1), (2), (4), (6), (8), (14.1) through (16), (23), (24), and (26), and (D)(7), (8), (12) through (14), (16), (18), (21), (24), (25), and (31) through (34), 337.10(I), 337.11(5) and (8), 338.52(D)(4)(a), 463.8(B)(1)(b)(ii), 6001, and 6040)