
DIGEST

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HB 612 Original

2021 Regular Session

Nelson

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%

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 the exemptions and exclusions currently ineffective including exemptions and exclusions for:

- (1) Sales and use taxes on purchases, services and rentals for private companies working for local authorities on construction of sewerage and waste water treatment facilities.
- (2) Sales and use taxes on certain labor charges.
- (3) Sales and use taxes on purchases of certain utilities,
- (4) Sales and use taxes on rentals or purchases of certain airplanes.
- (5) Sales and use taxes on certain manufacturing and machinery equipment.
- (6) Sales and use taxes on certain pallets.

- (7) Sales and use taxes on certain bibles, song books, or literature.
- (8) Sales and use taxes on certain school buses.
- (9) Sales and use taxes on certain pollution control devices.
- (10) Sales and use taxes on pelletized paper waste.
- (11) Sales and use taxes on sales of telephone directories.
- (12) Sales and use taxes of certain telecommunication services.
- (13) Sales and use taxes on natural gas.
- (14) Sales and use taxes on storm shutter devices.
- (15) Sales and use taxes at certain Louisiana heritage and culture events.
- (16) Sales and use taxes at festivals.
- (17) Sales and use taxes on specialty items sold to members by nonprofit carnival organizations.
- (18) Sales and use taxes on admissions to certain athletic and entertainment events.
- (19) Sales and use taxes on admissions to certain places of amusement.
- (20) Sales and use taxes on computer software.
- (21) Sales and use taxes on purchases by motor vehicle manufacturers.
- (22) Sales and use taxes on sales of newspapers.
- (23) Sales and use taxes on medical devices and equipment.
- (24) Sales and use taxes on sales to nonprofit literacy organizations.
- (25) Sales and use taxes on certain installation services.
- (26) Sales and use taxes on motor vehicles.
- (28) Sales and use taxes on purchases of certain construction materials by certain charitable or nonprofit organizations.
- (29) Sales and use taxes on specialty Mardi Gras items.

- (30) Sales and use taxes on sales by Ducks Unlimited and Bass Life.
- (31) Sales and use taxes on tickets to dances, dramas, or performing arts presentations or events.
- (32) Sales and use taxes on materials used in the printing process.
- (33) Sales and use taxes on certain carrier buses.
- (34) Sales and use taxes on purchases of breast-feeding items.
- (35) Sales and use taxes on certain materials for Louisiana commercial fishermen.
- (36) Sales and use taxes on certain antique motor vehicle and airplanes.
- (37) Sales and use taxes on certain rentals of motion-picture film.
- (38) Sales and use taxes on purchases by and sales by certain nonprofit organizations dedicated to the conservation of fish and migratory waterfowl.
- (39) Sales and use taxes of certain one-of-a-kind works of art.

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.

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

Proposed law changes present law levies a tax on the sales of digital advertising services rendered by an advertising business when the advertisement service is delivered into La.

Present law provides that land, in order to be classified as bonafide agricultural, horticultural, marsh or timberland and assessed at its use value, must be at least three acres in size or have produced an average gross annual income of at least \$2,000 in one or more of the designated classification for the previous four years.

Proposed law retains present law but changes the minimum acreage from three acres to ten acres.

(Amends R.S. 33:4169(D) and R.S. 47:301(14)(b)(i)(aa), 302(A)(intro. para.) and (1), (B), and (D), 305.14(A)(1)(a), 305.20(A) and (C), 321(A)(intro. para.) and (1) and (B), 331(A)(intro. para.) and (1) and (B), 337.9(C)(7)-(9), (12), and (13), and 2303(A); Adds R.S. 47:301(14)(I) and (31), 305.54(H), 305.58(G), 305.62(G), 305.75, and 331.1; Repeals R.S. 38:2212.4(C) and R.S. 47:301(3)(b), (g), and (j), (4)(i), (7)(d), (j), and (l), (8)(d) and (e), (10)(a)(iv), (b)(ii), (i), (k), (l), (n), (s), (t), (v)-(y), (bb), and (ee)-(hh), (13)(e)-(j), (l), and (m), (14)(b)(ii)-(iv) and (k), (16)(b)(iii), (c), (h), (i), (m), (n), and (p), (18)(a)(iv), (d), (f)-(k), (o), and (p), 302(F)-(J) and (L)-(CC), 305(D)(1)(b)-

(d), (g), (h), (j), and (m), (3)-(5), and (F), 305.2, 305.9, 305.11, 305.14(A)(1)(b) and (5), 305.16, 305.17, 305.26, 305.33, 305.36, 305.40-305.44, 305.50(B), 305.51-305.53, 305.57, 305.59-305.61, 305.63, 305.65, 305.67, 305.68, 305.70, 305.71, 305.74, 321(E)-(Q), 321.1, 331(F)-(W), 337.9(C)(23) and (D)(6), (8), (10), (12), (13), (18)-(20) and (26)-(34), 337.10(E), (G), and (M), 337.11(4) and (8), 6001, 6003, and 6040)