
DIGEST

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HB 612 Engrossed

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 authorizes numerous sales and use tax exemptions and exclusions.

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 an exclusive list of exemptions that are currently effective.

Proposed law repeals the exemptions and exclusions currently suspended including exemptions and exclusions for:

- (1) Purchases, services and rentals for private companies working for local authorities on construction of sewerage and waste water treatment facilities.
- (2) Certain labor charges.
- (3) Purchases of certain utilities,
- (4) Rentals or purchases of certain airplanes.
- (5) Certain manufacturing and machinery equipment.
- (6) Certain pallets.
- (7) Certain bibles, song books, or literature.
- (8) Certain school buses.

- (9) Certain pollution control devices.
- (10) Pelletized paper waste.
- (11) Sales of telephone directories.
- (12) Certain telecommunication services.
- (13) Natural gas.
- (14) Storm shutter devices.
- (15) Certain Louisiana heritage and culture events.
- (16) Festivals.
- (17) Specialty items sold to members by nonprofit carnival organizations.
- (18) Admissions to certain athletic and entertainment events.
- (19) Admissions to certain places of amusement.
- (20) Computer software.
- (21) Purchases by motor vehicle manufacturers.
- (22) Sales of newspapers.
- (23) Medical devices and equipment.
- (24) Sales to nonprofit literacy organizations.
- (25) Certain installation services.
- (26) Motor vehicles.
- (27) Purchases of certain construction materials by certain charitable or nonprofit organizations.
- (28) Specialty Mardi Gras items.
- (29) Sales by Ducks Unlimited and Bass Life.
- (30) Tickets to dances, dramas, or performing arts presentations or events.

- (31) Materials used in the printing process.
- (32) Certain carrier buses.
- (33) Purchases of breast-feeding items.
- (34) Certain materials for La. commercial fishermen.
- (35) Certain antique motor vehicles and airplanes.
- (36) Certain rentals of motion-picture film.
- (37) Purchases by and sales by certain nonprofit organizations dedicated to the conservation of fish and migratory waterfowl.
- (38) 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 is used 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 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 classifications for the previous four years.

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

Effective if and when the proposed amendment of Articles VI, VII, and VIII of the Constitution of La. contained in the Act which originated as House Bill No. 526 of this 2021 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(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)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Specify the House Bill No. of the proposed constitutional amendment to which the effectiveness of proposed law is tied.