

2022 Regular Session

HOUSE BILL NO. 438

BY REPRESENTATIVES BACALA, HARRIS, AND MCFARLAND

TAX/SALES-USE, STATE: Reduces the rate of the state sales and use tax

1 AN ACT

2 To amend and reenact R.S. 47:321.1(A), (B), and (C), relative to state sales and use taxes;
3 to provide for the tax rate; to provide for an effective date; and to provide for related
4 matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:321.1(A), (B), and (C) are hereby amended and reenacted to read
7 as follows:

8 §321.1. Imposition of tax

9 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and
10 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an
11 additional tax upon the sale at retail, the use, the consumption, the distribution, and
12 the storage for use or consumption in this state of each item or article of tangible
13 personal property as defined in Chapter 2 of this Subtitle. The levy of the tax shall
14 be as follows:

15 (1) At the rate of ~~forty-five~~ thirty-five hundredths of one percent of the sales
16 price of each item or article of tangible personal property when sold at retail in this
17 state, the tax to be computed on gross sales for the purpose of remitting the amount
18 of tax to the state, and to include each and every retail sale.

19 (2) At the rate of ~~forty-five~~ thirty-five hundredths of one percent of the cost
20 price of each item or article of tangible personal property when the same is not sold

1 but is used, consumed, distributed, or stored for use or consumption in this state,
2 provided that there shall be no duplication of the tax.

3 B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and
4 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied a
5 tax upon the lease or rental within this state of each item or article of tangible
6 personal property, as defined by Chapter 2 of this Subtitle; the levy of the tax to be
7 as follows:

8 (1) At the rate of ~~forty-five~~ thirty-five hundredths of one percent of the gross
9 proceeds derived from the lease or rental of tangible personal property, as defined
10 in Chapter 2 of this Subtitle, where the lease or rental of such property is in an
11 established business, or part of an established business, or the same is incidental or
12 germane to the business.

13 (2) At the rate of ~~forty-five~~ thirty-five hundredths of one percent of the
14 monthly lease or rental price paid by a lessee or rentee, or contracted or agreed to be
15 paid by a lessee or rentee to the owner of the tangible personal property.

16 C. In addition to the tax levied on sales of services by R.S. 47:302(C),
17 321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle,
18 there is hereby levied a tax upon all sales of services in this state, as those services
19 are defined by Chapter 2 of this Subtitle, at the rate of ~~forty-five~~ thirty-five
20 hundredths of one percent of the amounts paid or charged for the services.

21 * * *

22 Section 2. This Act shall become effective on July 1, 2022.

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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Abstract: Reduces the rate of the temporary state sales and use tax from 0.45% to 0.35%.

Present law imposes a 0.45% state sales and use tax on the sale, use, consumption, storage, or lease of tangible personal property and certain services in La. The imposition of the tax expires on June 30, 2025.

Proposed law reduces the rate of the temporary state sales and use tax levy from 0.45% to 0.35%.

Present law establishes a variety of exclusions and exemptions applicable to state sales and use tax.

Proposed law retains present law.

Effective July 1, 2022.

(Amends R.S. 47:321.1(A), (B), and (C))