HLS 23RS-377 ORIGINAL

2023 Regular Session

HOUSE BILL NO. 71

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BY REPRESENTATIVE BISHOP

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

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 said tax shall
14	be as follows:
15	(1) At (a) Through June 30, 2023, at the rate of forty-five hundredths of one
16	percent of the sales price of each item or article of tangible personal property when
17	sold at retail in this state, the tax to be computed on gross sales for the purpose of
18	remitting the amount of tax to the state, and to include each and every retail sale.
19	(b) Beginning July 1, 2023, through June 30, 2024, at the rate of thirty
20	hundredths of one percent of the sales price of each item or article of tangible

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2	sales for the purpose of remitting the amount of tax to the state, and to include each
3	and every retail sale.
4	(c) Beginning July 1, 2024, through June 30, 2025, at the rate of fifteen
5	hundredths of one percent of the sales price of each item or article of tangible
6	personal property when sold at retail in this state, the tax to be computed on gross
7	sales for the purpose of remitting the amount of tax to the state, and to include each
8	and every retail sale.
9	(2) At (a) Through June 30, 2023, at the rate of forty-five hundredths of one
10	percent of the cost price of each item or article of tangible personal property when
11	the same is not sold but is used, consumed, distributed, or stored for use or
12	consumption in this state, provided that there shall be no duplication of the tax.
13	(b) Beginning July 1, 2023, through June 30, 2024, at the rate of thirty
14	hundredths of one percent of the cost price of each item or article of tangible
15	personal property when the same is not sold but is used, consumed, distributed, or
16	stored for use or consumption in this state, provided that there shall be no duplication
17	of the tax.
18	(c) Beginning July 1, 2024, through June 30, 2025, at the rate of fifteen
19	hundredths of one percent of the cost price of each item or article of tangible
20	personal property when the same is not sold but is used, consumed, distributed, or
21	stored for use or consumption in this state, provided that there shall be no duplication
22	of the tax.
23	B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and
24	collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied a
25	tax upon the lease or rental within this state of each item or article of tangible
26	personal property, as defined by Chapter 2 of this Subtitle; the levy of the tax to be
27	as follows:
28	(1) At (a) Through June 30, 2023, at the rate of forty-five hundredths of one
29	percent of the gross proceeds derived from the lease or rental of tangible personal

personal property when sold at retail in this state, the tax to be computed on gross

1 property, as defined in Chapter 2 of this Subtitle, where the lease or rental of such 2 property is in an established business, or part of an established business, or the same 3 is incidental or germane to the business. 4 (b) Beginning July 1, 2023, through June 30, 2024, at the rate of thirty hundredths of one percent of the gross proceeds derived from the lease or rental of 5 6 tangible personal property, as defined in Chapter 2 of this Subtitle, where the lease 7 or rental of such property is in an established business, or part of an established 8 business, or the same is incidental or germane to the business. 9 (c) Beginning July 1, 2024, through June 30, 2025, at the rate of fifteen 10 hundredths of one percent of the gross proceeds derived from the lease or rental of 11 tangible personal property, as defined in Chapter 2 of this Subtitle, where the lease 12 or rental of such property is in an established business, or part of an established 13 business, or the same is incidental or germane to the business. 14 (2) At (a) Through June 30, 2023, at the rate of forty-five hundredths of one 15 percent of the monthly lease or rental price paid by a lessee or rentee, or contracted 16 or agreed to be paid by a lessee or rentee to the owner of the tangible personal 17 property. 18 (b) Beginning July 1, 2023, through June 30, 2024, at the rate of thirty 19 hundredths of one percent of the monthly lease or rental price paid by a lessee or 20 rentee, or contracted or agreed to be paid by a lessee or rentee to the owner of the 21 tangible personal property. 22 (c) Beginning July 1, 2024, through June 30, 2025, at the rate of fifteen 23 hundredths of one percent of the monthly lease or rental price paid by a lessee or 24 rentee, or contracted or agreed to be paid by a lessee or rentee to the owner of the tangible personal property. 25 26 C. In addition to the tax levied on sales of services by R.S. 47:302(C), 27 321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle, 28 there is hereby levied a tax upon all sales of services in this state, as those services

are defined by Chapter 2 of this Subtitle. The levy of the tax shall be as follows:

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1 (1) Through June 30, 2023, at the rate of forty-five hundredths of one percent 2 of the amounts paid or charged for the services. (2) Beginning July 1, 2023, through June 30, 2024, at the rate of thirty 3 4 hundredths of one percent of the amounts paid or charged for the services. 5 (3) Beginning July 1, 2024, through June 30, 2025, at the rate of fifteen 6 hundredths of one percent of the amounts paid or charged for the services. 7 8 Section 2. This Act shall become effective upon signature by the governor or, if not 9 signed by the governor, upon expiration of the time for bills to become law without signature 10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 11 vetoed by the governor and subsequently approved by the legislature, this Act shall become 12 effective on the day following such approval.

## 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)]

HB 71 Original

2023 Regular Session

Bishop

**Abstract:** Reduces the rate of the temporary state sales and use tax <u>from 0.45% to 0.15%</u> over a two-year period beginning July 1, 2023.

<u>Present law</u> 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.

<u>Proposed law</u> reduces the rate of the temporary state sales and use tax levy  $\underline{\text{from}}$  0.45%  $\underline{\text{to}}$  0.15% over a two-year period as follows:

- (1) Beginning July 1, 2023, through June 30, 2024, <u>from</u> .45% <u>to</u> 0.30%.
- (2) Beginning July 1, 2024, through June 30, 2025, <u>from</u> .30% <u>to</u> 0.15%.

<u>Present law</u> establishes a variety of exclusions and exemptions applicable to state sales and use tax

Proposed law retains present law.

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

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

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