

2023 Regular Session

HOUSE BILL NO. 642

BY REPRESENTATIVE JENKINS

TAX/SALES & USE: Provides relative to sales and use taxation of certain digital products and services

1 AN ACT

2 To amend and reenact R.S. 47:301(3)(a), (b), and (i)(ii)(aa)(I)(aaa), (4)(a) through (e) and

3 (h), (5), (7)(a), (g), and (i), (8)(b), (9), (10)(a)(i), (ii), and (iii), (c)(ii)(bb), (j), (q)(i),

4 (r), (s), (u), (ff), and (hh), (12), (13)(a), (14)(h), (i), (j), and (k), (15), (18)(a), (d)(i),

5 (e), and (f), (19), and (29)(x)(ix), 302(A), (B), (D), (K)(1) and (2), (U),

6 (V)(1)(introductory paragraph), (a), and (b)(introductory paragraph), (BB)(13), (17),

7 (25), (27), (30), (33), (56), (66), (81), and (109), and (CC), 303(A)(2) and (3)(a) and

8 (G), 303.1(A) and (B)(1)(c) and (2)(b), 304(B), 305(E), 305.10(A), (C)(introductory

9 paragraph), (1), (2)(a), (b), and (c), and (3), (D), and (E), 305.14(A)(1)(a) and (5),

10 305.38, 305.53(A), 305.54(B) and (C)(1), 306.5(A)(1) and (2)(c), 307(A), (B), and

11 (C), 309(A)(1), 309.1(B)(1) and (2)(b) and (D), 310(A), 312, 314, 315(A) and (B)(1),

12 315.3(A), 315.5(A), (B)(3), and (C)(1)(c), 321(A), (B), (P)(9), (13), (17), (23), (25),

13 (27), (30), (33), (56), (66), (81), and (109), and (Q), 321.1(A), (B), (I)(13), (17),

14 (23), (25), (27), (30), (33), (56), (66), (81), and (109), and (J), 331(A), (B), (V)(13),

15 (17), (23), (25), (27), (30), (33), (56), (66), (81), and (109), and (W), and 340.1(A)(3)

16 and (5) and R.S. 51:1286(B), to enact R.S. 47:301(10)(c)(ii)(cc), (jj), and (kk),

17 (14)(l), (32), (33), and (34) and 301.3, and to repeal R.S. 47:301(16)(h) and (23),

18 relative to sales and use taxation of certain digital products and services; to provide

19 for the levy of sales and use taxes on certain digital products and services; to provide

20 for the rates of the taxes; to provide relative to exclusions and exemptions from sales

1 and use taxes; to provide relative to administration of sales and use taxes; to provide
2 relative to collection and enforcement; to provide for liability for collection and
3 payment of certain sales and use taxes; to provide relative to record keeping and
4 reporting; to provide for definitions; to provide for effectiveness; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(3)(a), (b), and (i)(ii)(aa)(I)(aaa), (4)(a) through (e) and (h),
8 (5), (7)(a), (g), and (i), (8)(a) and (b), (9), (10)(a)(i), (ii), and (iii), (c)(ii)(bb), (j), (q)(i), (r),
9 (s), (u), (ff), and (hh), (12), (13)(a), (14)(h), (i), (j), and (k), (18)(a), (d)(i), (e), and (f), (19),
10 and (29)(x)(ix), 302(A), (B), (D), (K)(1) and (2), (U), (V)(1)(introductory paragraph), (a),
11 and (b)(introductory paragraph), (BB)(13), (17), (25), (27), (30), (33), (56), (66), (81), and
12 (109), and (CC), 303(A)(2) and (3)(a) and (G), 303.1(A) and (B)(1)(c) and (2)(b), 304(B),
13 305(E), 305.10(A), (C)(introductory paragraph), (1), (2)(a), (b), and (c), and (3), (D), and
14 (E), 305.14(A)(1)(a) and (5), 305.38, 305.53(A), 305.54(B) and (C)(1), 306.5(A)(1) and
15 (2)(c), 307(A), (B), and (C), 309(A)(1), 309.1(B)(1) and (2)(b) and (D), 310(A), 312, 314,
16 315(A) and (B)(1), 315.3(A), 315.5(A), (B)(3), and (C)(1)(c), 321(A), (B), (P)(9), (13), (17),
17 (23), (25), (27), (30), (33), (56), (66), (81), and (109), and (Q), 321.1(A), (B), (I)(13), (17),
18 (23), (25), (27), (30), (33), (56), (66), (81), and (109), and (J), 331(A), (B), (V)(13), (17),
19 (23), (25), (27), (30), (33), (56), (66), (81), and (109), and (W), and 340.1(A)(3) and (5) and
20 R.S. 51:1286(B) are hereby amended and reenacted and R.S. 47:301(10)(c)(ii)(cc), (jj), and
21 (kk), (14)(l), (32), (33), and (34) and 301.3 are hereby enacted to read as follows:

22 §301. Definitions

23 As used in this Chapter, the following words, terms, and phrases have the
24 meanings ascribed to them in this Section, unless the context clearly indicates a
25 different meaning:

26 * * *

27 (3)(a) "Cost price" means the actual cost of the articles of tangible personal
28 property or digital products without any deductions therefrom on account of the cost
29 of materials used, labor, or service cost, except those service costs for installing the

1 articles of tangible personal property or digital products if such cost is separately
2 billed to the customer at the time of installation, transportation charges, or any other
3 expenses whatsoever, or the reasonable market value of the tangible personal
4 property or digital products at the time it becomes susceptible to the use tax,
5 whichever is less.

6 (b) In the case of tangible personal property or digital products which ~~has~~
7 have acquired a tax situs in a taxing jurisdiction and ~~is~~ are thereafter transported
8 outside the taxing jurisdiction for repairs performed outside the taxing jurisdiction
9 and ~~is~~ thereafter returned to the taxing jurisdiction, the cost price shall be deemed to
10 be the actual cost of any parts and/or materials used in performing such repairs, if
11 applicable labor charges are separately stated on the invoice. If the applicable labor
12 charges are not separately stated on the invoice, it shall be presumed that the cost
13 price is the total charge reflected on the invoice.

14 * * *

15 (i)

16 * * *

17 (ii) For purposes of this Subparagraph, the following definitions shall apply:

18 (aa) "Machinery and equipment" means tangible personal property or other
19 property that is eligible for depreciation for federal income tax purposes and that is
20 used as an integral part in the manufacturing of tangible personal property for sale.
21 "Machinery and equipment" shall also mean tangible personal property or other
22 property that is eligible for depreciation for federal income tax purposes and that is
23 used as an integral part of the production, processing, and storing of food and fiber
24 or of timber.

25 (I) Machinery and equipment, for purposes of this Subparagraph, also
26 includes but is not limited to the following:

27 (aaa) Computers and software that ~~are an integral part of the machinery and~~
28 equipment used directly in the manufacturing process control, communicate with or
29 control other computer systems that control, or control heating or cooling systems

1 for machinery or equipment that manufactures tangible personal property for sale.
2 Computers and software used for inventory and accounting systems or that control
3 non-qualifying machinery and equipment are not considered machinery and
4 equipment for purposes of this Subparagraph.

5 * * *

6 (4) "Dealer" includes every person who manufactures or produces tangible
7 personal property for sale at retail, for use, or consumption, or distribution, or for
8 storage to be used or consumed in a taxing jurisdiction. "Dealer" is further defined
9 to mean:

10 (a) Every person who imports, or causes to be imported, tangible personal
11 property or digital products from any other state, foreign country, or other taxing
12 jurisdiction for sale at retail, for use, or consumption, or distribution, or for storage
13 to be used or consumed in a taxing jurisdiction.

14 (b) Every person who sells at retail, or who offers for sale at retail, or who
15 has in his possession for sale at retail, or for use, or consumption, or distribution, or
16 storage to be used or consumed in the taxing jurisdiction, tangible personal property
17 or digital products as defined herein.

18 (c) Any person who has sold at retail, or used, or consumed, or distributed,
19 or stored for use or consumption in the taxing jurisdiction, tangible personal property
20 or digital products and who cannot prove that the tax levied by this Chapter has been
21 paid on the sale at retail, the use, the consumption, the distribution, or the storage of
22 said the tangible personal property or digital products.

23 (d)(i) Any person who leases or rents tangible personal property or digital
24 products for a consideration, permitting the use or possession of the said property
25 without transferring title thereto.

26 (ii) However, a person who leases or rents tangible personal property or
27 digital products to customers who provide information to such person that they will
28 use the property only offshore beyond the territorial limits of the state shall not be
29 included in the term "dealer" for purposes of the collection of the rental or lease tax

1 of the state, statewide political subdivisions, and other political subdivisions on such
2 lease or rental contracts. For purposes of this Item, "use" means the operational or
3 functional use of the property and not other uses related to its possession such as
4 transportation, maintenance, and repair. It is the intention of this Item that the
5 customers of such persons shall remit any tax due on the lease or rental of such
6 property directly to the state and local taxing bodies to whom they are due.

7 (e) Any person who is the lessee or rentee of tangible personal property or
8 digital products and who pays to the owner of such property or product a
9 consideration for the use or possession of such property without acquiring title
10 thereto.

11 * * *

12 (h) Any person engaging in business in the taxing jurisdiction. "Engaging in
13 business in the taxing jurisdiction" means and includes any of the following methods
14 of transacting business: maintaining directly, indirectly, or through a subsidiary, an
15 office, distribution house, sales house, warehouse, or other place of business or by
16 having an agent, salesman, or solicitor operating within the taxing jurisdiction under
17 the authority of the seller or its subsidiary irrespective of whether such place of
18 business, agent, salesman, or solicitor is located in such taxing jurisdiction
19 permanently or temporarily or whether such seller or subsidiary is qualified to do
20 business in such taxing jurisdiction, or any person who makes deliveries of tangible
21 personal property or digital products into the taxing jurisdiction other than by a
22 common or contract carrier.

23 * * *

24 (5) "Gross sales" means the sum total of all retail sales of tangible personal
25 property or digital products, without any deduction whatsoever of any kind or
26 character except as provided in this Chapter.

27 * * *

28 (7)(a) "Lease or rental" means the leasing or renting of tangible personal
29 property or digital products and the possession or use thereof by the lessee or renter,

1 for a consideration, without transfer of the title of such property. For the purpose of
 2 the leasing or renting of automobiles, "lease" means the leasing of automobiles and
 3 the possession or use thereof by the lessee, for a consideration, without the transfer
 4 of the title of such property for a one hundred eighty-day period or more. "Rental"
 5 means the renting of automobiles and the possession or use thereof by the renter, for
 6 a consideration, without the transfer of the title of such property for a period less
 7 than one hundred eighty days.

8 * * *

9 (g) For purposes of state and political subdivision sales and use tax, "lease
 10 or rental" shall not mean the lease or rental of tangible personal property or digital
 11 products to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. which ~~is~~
 12 property or products are used by such organizations for their educational and public
 13 service programs for youth.

14 * * *

15 (i) For purposes of sales and use taxes levied and imposed by local
 16 governmental subdivisions, school boards, and other political subdivisions whose
 17 boundaries are not coterminous with those of the state, "lease or rental" by a person
 18 shall not mean or include the lease or rental of tangible personal property or digital
 19 products if such lease or rental is made under the provisions of Medicare.

20 * * *

21 (8)

22 * * *

23 (b) Solely for purposes of the payment of state sales or use tax on the lease
 24 or rental or the purchase of tangible personal property, digital products, or services,
 25 "person" shall not include a regionally accredited independent institution of higher
 26 education which is a member of the Louisiana Association of Independent Colleges
 27 and Universities, if such lease or rental or purchase is directly related to the
 28 educational mission of such institution. However, the term "person" shall include

1 such institution for purposes of the payment of tax on sales by such institution if the
2 sales are not otherwise exempt.

3 * * *

4 (9) "Purchaser" means and includes any person who acquires or receives any
5 tangible personal property or digital products, or the privilege of using any tangible
6 personal property or digital products, or receives any services pursuant to a
7 transaction subject to tax under this Chapter.

8 (10)(a)(i) Solely for the purposes of the imposition of the state sales and use
9 tax, "retail sale" or "sale at retail" means a sale to a consumer or to any other person
10 for any purpose other than for resale as tangible personal property or digital product,
11 or for the lease of automobiles in an arm's length transaction, and shall mean and
12 include all such transactions as the secretary, upon investigation, finds to be in lieu
13 of sales; provided that sales for resale or for lease of automobiles in an arm's length
14 transaction must be made in strict compliance with the rules and regulations. Any
15 dealer making a sale for resale or for the lease of automobiles, which is not in strict
16 compliance with the rules and regulations, shall himself be liable for and pay the tax.

17 (ii) Solely for purposes of the imposition of the sales and use tax levied by
18 a political subdivision or school board, "retail sale" or "sale at retail" shall mean a
19 sale to a consumer or to any other person for any purpose other than for resale in the
20 form of tangible personal property or digital product, or resale of those services
21 defined in Paragraph (14) of this Section provided the retail sale of the service is
22 subject to sales tax in this state, and shall mean and include all such transactions as
23 the collector, upon investigation, finds to be in lieu of sales; provided that sales for
24 resale be made in strict compliance with the rules and regulations. Any dealer
25 making a sale for resale, which is not in strict compliance with the rules and
26 regulations shall himself be liable for and pay the tax. A local collector shall accept
27 a resale certificate issued by the Department of Revenue, provided the taxpayer
28 includes the parish of its principal place of business and local sales tax account
29 number on the state certificate. However, in the case of an intra-parish transaction

1 from dealer to dealer, the collector may require that the local exemption certificate
2 be used in lieu of the state certificate. The department shall accommodate the
3 inclusion of such information on its resale certificate for such purposes.

4 (iii) "Retail sale" or "sale at retail" for purposes of sales and use taxes
5 imposed by the state on transactions involving the sale for rental of automobiles
6 which take place on or after January 1, 1991, and by political subdivisions on such
7 transactions on or after July 1, 1996, and state sales and use taxes imposed on
8 transactions involving the lease or rental of tangible personal property or digital
9 products other than automobiles which take place on or after July 1, 1991, means a
10 sale to a consumer or to any other person for any purpose other than for resale as
11 tangible personal property or digital product, or for lease or rental in an arm's length
12 transaction in the form of tangible personal property or digital product, and shall
13 mean and include all such transactions as the secretary, upon investigation, finds to
14 be in lieu of sales; provided that sales for resale or for lease or rental in an arm's
15 length transaction must be made in strict compliance with the rules and regulations.
16 Any dealer making a sale for resale or for lease or rental, which is not in strict
17 compliance with the rules and regulations, shall himself be liable for and pay the tax.
18 For purposes of the imposition of the tax imposed by any political subdivision of the
19 state, for the period beginning on July 1, 1999, and ending on June 30, 2000, the
20 term "retail sale" or "sale at retail" shall not include one-fourth of the sales price of
21 any tangible personal property which is sold in order to be leased or rented in an
22 arm's length transaction in the form of tangible personal property. For purposes of
23 the imposition of the tax imposed by any political subdivision of the state, for the
24 period beginning on July 1, 2000, and ending on June 30, 2001, the term "retail sale"
25 or "sale at retail" shall not include one-half of the sales price of any tangible personal
26 property which is sold in order to be leased or rented in an arm's length transaction
27 in the form of tangible personal property. For purposes of the imposition of the tax
28 imposed by any political subdivision of the state, for the period beginning on July
29 1, 2001, and ending on June 30, 2002, the term "retail sale" or "sale at retail" shall

1 not include three-fourths of the sales price of any tangible personal property which
 2 is sold in order to be leased or rented in an arm's length transaction in the form of
 3 tangible personal property. Beginning July 1, 2002, for the purposes of imposition
 4 of the tax levied by any political subdivision of the state, the term "retail sale" or
 5 "sale at retail" shall not include the sale of any tangible personal property which is
 6 sold in order to be leased or rented in an arm's length transaction in the form of
 7 tangible personal property.

8 * * *

9 (c)

10 * * *

11 (ii)

12 * * *

13 (bb) The term "sale at retail" does not include an isolated or occasional sale
 14 of tangible personal property or digital products by a person not engaged in such
 15 business.

16 (cc) Solely for purposes of the sales and use tax levied by the state, the term
 17 "sale at retail" does not include consuming any digital product in producing for sale
 18 a new product, where the digital product becomes an ingredient or component of the
 19 new product. A digital code becomes an ingredient or component of a new product
 20 if the digital product through the use of the digital code becomes an ingredient or
 21 component of the new product.

22 * * *

23 (j) The term "sale at retail" does not include the sale of tangible personal
 24 property or digital products to food banks, as defined in R.S. 9:2799.

25 * * *

26 (q) For purposes of state and political subdivision sales and use tax, the term
 27 "sale at retail" shall not include:

28 (i) The sale of tangible personal property or digital products by approved
 29 parochial and private elementary and secondary schools which comply with the court

1 order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal
2 Revenue Code, or students, administrators, or teachers, or other employees of the
3 school, if the money from such sales, less reasonable and necessary expenses
4 associated with the sale, is used solely and exclusively to support the school or its
5 program or curricula. This exclusion shall not be construed to allow tax-free sales
6 to students or their families by promoters or regular commercial dealers through the
7 use of schools, school faculty, or school facilities.

8 * * *

9 (r) For purposes of state and political subdivision sales and use tax, the term
10 "sale at retail" shall not include the sale of tangible personal property or digital
11 products to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. which ~~is~~
12 property or products are used by such organizations for their educational and public
13 service programs for youth.

14 (s) The term "sale at retail" or "retail sale", for purposes of sales and use
15 taxes imposed by the state or any political subdivision or other taxing entity, shall
16 not include any charge, fee, money, or other consideration received, given, or paid
17 for the performance of funeral directing services. For purposes of this Subparagraph,
18 "funeral directing services" means the operation of a funeral home, or by way of
19 illustration and not limitation, any service whatsoever connected with the
20 management of funerals, or the supervision of hearses or funeral cars, the cleaning
21 or dressing of dead human bodies for burial, and the performance or supervision of
22 any service or act connected with the management of funerals from time of death
23 until the body or bodies are delivered to the cemetery, crematorium, or other agent
24 for the purpose of disposition. However, such services shall not mean or include the
25 sale, lease, rental, or use of any tangible personal property or digital product as those
26 terms are defined in this Section.

27 * * *

28 (u) For purposes of sales and use taxes levied and imposed by local
29 governmental subdivisions, school boards, and other political subdivisions whose

1 boundaries are not coterminous with those of the state, "sale at retail" by a person
2 shall not mean or include the sale of tangible personal property or digital products
3 if such sale is made under the provisions of Medicare.

4 * * *

5 (ff) For purposes of sales taxes imposed by the state or any political
6 subdivision of the state, the term "retail sale" or "sale at retail" shall not include sales
7 of tangible personal property or digital products by the Military Department, state
8 of Louisiana, which occur on an installation or other property owned or operated by
9 the Military Department.

10 * * *

11 (hh) For purposes of sales and use tax imposed by the state under R.S.
12 47:302, 321, and 331, or any other political subdivision, the term "sale at retail" shall
13 not include the sale of tangible personal property or digital products at an event
14 providing Louisiana heritage, culture, crafts, art, food, and music which is sponsored
15 by a domestic nonprofit organization that is exempt from tax under Section 501(c)(3)
16 of the Internal Revenue Code. The provisions of this Subparagraph shall apply only
17 to an event which transpires over a minimum of seven but not more than twelve days
18 and has a five-year annual average attendance of at least three hundred thousand over
19 the duration of the event. For purposes of determining the five-year annual average
20 attendance, the calculation shall include the total annual attendance for each of the
21 five most recent years. The provisions of this Subparagraph shall apply only to sales
22 by the sponsor of the event.

23 * * *

24 (jj) Solely for purposes of the sales and use tax levied by the state, with
25 respect to digital products, the term "sale at retail" does not include making any
26 digital product available free of charge for the use or enjoyment of others. For
27 purposes of this Subparagraph, "free of charge" means that the recipient of the digital
28 product does not need to provide anything of significant value in exchange for the
29 product or use of the product. A transfer is not free of charge if the digital product

1 is bundled or combined with other products or services subject to sales or use tax
2 regardless of whether such items are separately stated and invoiced.

3 (kk) Solely for purposes of the sales and use tax levied by the state, with
4 respect to digital products, the term "sale at retail" does not include the sale of audio
5 or video programing by a radio or television broadcaster. The term "sale at retail"
6 does include programming, sold by a radio or television broadcaster, that is sold on
7 a pay-per-program basis or that allows the buyer to access a library of programs at
8 any time for a specific charge for that service. For purposes of this Subparagraph,
9 "radio or television broadcaster" includes, but is not limited to, satellite radio
10 providers, satellite television providers, cable television providers, and providers of
11 subscription internet television. If a radio or television broadcaster provides a
12 nontaxable good or service along with a taxable good or service, the entire purchase
13 is subject to state sales and use tax, regardless of whether the items are separately
14 stated and invoiced.

15 * * *

16 (12)(a) "Sale" means any transfer of title or possession, or both, exchange,
17 barter, conditional or otherwise, in any manner or by any means whatsoever, of
18 tangible personal property or digital products, for a consideration, and includes the
19 fabrication of tangible personal property for consumers who furnish, either directly
20 or indirectly, the materials used in fabrication work, and the furnishing, preparing or
21 serving, for a consideration, of any tangible personal property, consumed on the
22 premises of the person furnishing, preparing or serving such tangible personal
23 property. A transaction whereby the possession of property is transferred but the
24 seller retains title as security for the payment of the price shall be deemed a sale.

25 (b) With respect to digital products, "sale" means the first act within this
26 state by which the end user views, accesses, downloads, possesses, stores, opens,
27 manipulates, or otherwise uses or enjoys the product.

1 (c) With respect to a digital automated service, "sale" means the first act
2 within this state by which the end user uses, enjoys, or otherwise receives the benefit
3 of the service.

4 (13)(a) "Sales price" means the total amount for which tangible personal
5 property ~~is~~ or digital products are sold, less the market value of any article traded in
6 including any services, except services for financing, that are a part of the sale valued
7 in money, whether paid in money or otherwise, and includes the cost of materials
8 used, labor or service costs, except costs for financing which shall not exceed the
9 legal interest rate and a service charge not to exceed six percent of the amount
10 financed, and losses; provided that cash discounts allowed and taken on sales shall
11 not be included, nor shall the sales price include the amount charged for labor or
12 services rendered in installing, applying, remodeling, or repairing property sold.

13 * * *

14 (14) "Sales of services" means and includes the following:

15 * * *

16 (h)(i) The furnishing of a digital automated service. For purposes of this
17 Subparagraph, "digital automated service" means any service transferred
18 electronically that uses one or more software applications either prewritten or
19 custom, as well as components that are similar to stand-alone digital products.

20 (ii) "Digital automated service" does not include any of the following:

21 (aa) Any service that primarily involves the application of human effort, and
22 the human effort originated after the customer requested the service.

23 (bb) The loaning or transferring of money or the purchase, sale, or transfer
24 of financial instruments. For purposes of this Subparagraph, the term "financial
25 instruments" includes cash, accounts receivable and payable, loans and notes
26 receivable and payable, debt securities, equity securities, and derivative contracts
27 such as forward contracts, swap contracts, and options.

28 (cc) Dispensing cash or other physical items from a machine.

29 (dd) Payment processing services.

1 ~~(ee) Pari-mutuel wagering or fantasy sports betting.~~

2 ~~(ff) Telecommunications services and ancillary services as those terms are~~
3 ~~defined in Subparagraphs (29)(b) and (x) of this Section.~~

4 ~~(gg) Internet access service charges.~~

5 ~~(hh) Online educational programs provided by any of the following:~~

6 ~~(I) A public or private elementary or secondary school.~~

7 ~~(II) An institution of higher education as defined in sections 1001 or 1002~~
8 ~~of the federal Higher Education Act of 1965 (20 U.S.C. 1001 and 1002), as existing~~
9 ~~on July 1, 2009, if the online educational program is encompassed within the~~
10 ~~institution's accreditation.~~

11 ~~(ii) Travel agent services, including online travel services, and automated~~
12 ~~systems used by travel agents to book reservations.~~

13 ~~(jj) Live presentations, such as lectures, seminars, workshops, or courses,~~
14 ~~where participants are connected to other participants via the internet or~~
15 ~~telecommunications equipment, which allows audience members and the presenter~~
16 ~~or instructor to give, receive, and discuss information with each other in real time.~~

17 ~~(kk) A service that allows the person receiving the service to make online~~
18 ~~sales of products or services, digital or otherwise, using the service provider's~~
19 ~~website. The service described in this Subitem does not include the underlying sale~~
20 ~~of the products or services, digital or otherwise, by the person receiving the service.~~

21 ~~(ll) Advertising services. For purposes of this Subparagraph, "advertising~~
22 ~~services" means all services directly related to the creation, preparation, production,~~
23 ~~or the dissemination of advertisements. "Advertising services" includes layout, art~~
24 ~~direction, graphic design, mechanical preparation, production supervision,~~
25 ~~placement, and rendering advice to a client concerning the best methods of~~
26 ~~advertising that client's products or services. "Advertising services" also includes~~
27 ~~online referrals, search engine marketing and lead generation optimization, web~~
28 ~~campaign planning, the acquisition of advertising space in the internet media, and~~
29 ~~the monitoring and evaluation of website traffic for purposes of determining the~~

1 effectiveness of an advertising campaign. "Advertising services" does not include
2 web hosting services and domain name registration.

3 (i) The term "sale of service" shall not include an action performed pursuant
4 to a contract with the United States Department of the Navy for construction or
5 overhaul of U.S. Naval vessels.

6 ~~(j)~~ (j) Solely for purposes of the sales and use tax levied by the state, the
7 furnishing of telecommunications services for compensation, in accordance with the
8 provisions of R.S. 47:301.1. Local political subdivisions are prohibited from levying
9 a sales and use tax on telecommunications services not in effect on July 1, 1990,
10 provided, however, that the provisions of this Subparagraph shall not be construed
11 to prohibit the levy or collection of any franchise, excise, gross receipts, or similar
12 tax or assessment by any political subdivision of the state as defined in Article VI,
13 Section 44(2) of the Constitution of Louisiana.

14 ~~(k)~~ (k) Notwithstanding any provision of law to the contrary, for purposes of
15 sales or use taxation by the state or any local political subdivision, the term "sales of
16 services" shall not mean or include any funeral directing services as defined in
17 Subparagraph (10)(s) of this Section. Subject to approval by the House Committee
18 on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs, the
19 state Department of Revenue shall devise a formula for the calculation of the tax.

20 ~~(l)~~ (l) Solely for purposes of sales and use tax imposed by the state under
21 R.S. 47:302, 321, and 331, any political subdivision whose boundaries are
22 coterminous with those of the state, or any other political subdivision, the term "sales
23 of services" shall not mean or include admission charges for, outside gate admissions
24 to, or parking fees associated with an event providing Louisiana heritage, culture,
25 crafts, art, food, and music which is sponsored by a domestic nonprofit organization
26 that is exempt from tax under Section 501(c)(3) of the Internal Revenue Code. The
27 provisions of this Subparagraph shall apply only to an event which transpires over
28 a minimum of seven but not more than twelve days and has a five-year annual
29 average attendance of at least three hundred thousand over the duration of the event.

1 For purposes of determining the five-year annual average attendance, the calculation
2 shall include the total annual attendance for each of the five most recent years. The
3 provisions of this Subparagraph shall apply only to admission charges for, outside
4 gate admissions to, or parking fees associated with an event when the charges and
5 fees are payable to or for the benefit of the sponsor of the event.

6 (15) "Storage" means and includes any keeping or retention in the taxing
7 jurisdiction of tangible personal property or digital products for use or consumption
8 within the taxing jurisdiction or for any purpose other than for sale at retail in the
9 regular course of business.

10 * * *

11 (18)(a)(i) Solely for purposes of the imposition of the state sales and use tax,
12 "use" means and includes the exercise of any right or power over tangible personal
13 property or digital products incident to the ownership thereof, except that it shall not
14 include the sale at retail of that property in the regular course of business or the
15 donation to a school in the state which meets the definition provided in R.S. 17:236
16 or to a public or recognized independent institution of higher education in the state
17 of property previously purchased for resale in the regular course of a business. The
18 term "use" shall not include the purchase, the importation, the consumption, the
19 distribution, or the storage of automobiles to be leased in an arm's length transaction,
20 nor shall the term "use" include the donation of food items to a food bank as defined
21 in R.S. 9:2799(B).

22 (ii) For purposes of the imposition of the sales and use tax levied by a
23 political subdivision or school board, "use" shall mean and include the exercise of
24 any right or power over tangible personal property or digital products incident to the
25 ownership thereof, except that it shall not include the sale at retail of that property
26 in the regular course of business or the donation to a school in the state which meets
27 the definition provided in R.S. 17:236 or to a public or recognized independent
28 institution of higher education in the state of property previously purchased for resale

1 in the regular course of a business. The term "use" shall not include the donation of
2 food items to a food bank as defined in R.S. 9:2799(B).

3 (iii) The term "use", for purposes of sales and use taxes imposed by the state
4 on the use for rental of automobiles which take place on or after January 1, 1991, and
5 by political subdivisions on such use on or after July 1, 1996, and state sales and use
6 taxes imposed on the use for lease or rental of tangible personal property or digital
7 products other than automobiles which take place on or after July 1, 1991, shall not
8 include the purchase, the importation, the consumption, the distribution, or the
9 storage of tangible personal property or digital products to be leased or rented in an
10 arm's length transaction as tangible personal property or digital products. For
11 purposes of the imposition of the tax levied by any political subdivision of the state,
12 for the period beginning July 1, 1999, and ending on June 30, 2000, the term "use"
13 shall not include one-fourth of the cost price of any tangible personal property which
14 is purchased, imported, consumed, distributed, or stored and which is to be leased
15 or rented in an arm's length transaction in the form of tangible personal property.
16 For purposes of the imposition of the tax levied by any political subdivision of the
17 state, for the period beginning July 1, 2000, and ending on June 30, 2001, the term
18 "use" shall not include one-half of the cost price of any tangible personal property
19 which is purchased, imported, consumed, distributed, or stored and which is to be
20 leased or rented in an arm's length transaction in the form of tangible personal
21 property. For purposes of the imposition of the tax levied by any political
22 subdivision of the state, for the period beginning July 1, 2001, and ending on June
23 30, 2002, the term "use" shall not include three-fourths of the cost price of any
24 tangible personal property which is purchased, imported, consumed, distributed, or
25 stored and which is to be leased or rented in an arm's length transaction in the form
26 of tangible personal property. Beginning July 1, 2002, for purposes of the imposition
27 of the tax levied by any political subdivision of the state, the term "use" shall not
28 include the purchase, the importation, the consumption, the distribution, or the

1 storage of any tangible personal property which is to be leased or rented in an arm's
2 length transaction in the form of tangible personal property.

3 (iv) The term "use", for purposes of sales and use taxes imposed by the state
4 on the use for rental automobiles which take place prior to January 1, 1991, and by
5 political subdivisions on such use prior to July 1, 1996, and imposed on the use for
6 lease or rental of tangible personal property other than automobiles which take place
7 prior to July 1, 1991, and for purposes of local sales and use taxes levied by political
8 subdivisions, except for any use for rental automobiles on or after July 1, 1996, shall
9 include the purchase, the importation, the consumption, the distribution, or the
10 storage of tangible personal property or digital products to be leased or rented in an
11 arm's length transaction as tangible personal property or digital products.

12 (v) The term "use" for purposes of sales and use tax imposed by the state on
13 digital products, including digital automated services, applies to the first act within
14 this state by which the end user views, accesses, downloads, possesses, stores, opens,
15 manipulates or otherwise enjoys, uses or receives the benefits of the digital product
16 or digital automated services. "Use" includes access and use of digital products that
17 remain in the possession of the dealer or in the possession of a third party on behalf
18 of the dealer.

19 * * *

20 (d)(i) Notwithstanding any other provision of law to the contrary, and except
21 as provided in Item (iii) of this Subparagraph, for purposes of state and political
22 subdivision sales and use tax, "use" means and includes the exercise of any right or
23 power over tangible personal property or digital products incident to the ownership
24 thereof, except that it shall not include the further processing of tangible personal
25 property or digital products into articles of tangible personal property for sale.

26 * * *

27 (e) For purposes of state and political subdivision sales and use tax, "use"
28 shall not include the purchase of or the exercise of any right or power over:

1 (i) Tangible personal property or digital products sold by approved parochial
 2 and private elementary and secondary schools which comply with the court order
 3 from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue
 4 Code, or students, administrators, or teachers, or other employees of the school, if
 5 the money from such sales, less reasonable and necessary expenses associated with
 6 the sale, is used solely and exclusively to support the school or its program or
 7 curricula.

8 (ii) Educational materials or equipment used for classroom instruction by
 9 approved parochial and private elementary and secondary schools which comply
 10 with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the
 11 Internal Revenue Code, limited to books, workbooks, computers, computer software,
 12 films, videos, and audio tapes, including when these items are transferred
 13 electronically.

14 (f) For purposes of state and political subdivision sales and use tax, "use"
 15 shall not include the purchase of or the exercise of any right or power over tangible
 16 personal property or digital products used by Boys State of Louisiana, Inc. and Girls
 17 State of Louisiana, Inc. for their educational and public service programs for youth.

18 * * *

19 (19) "Use tax" includes the use, the consumption, the distribution, and the
 20 storage as herein defined. No use tax shall be due to or collected by:

21 (a) The state on tangible personal property or digital products used,
 22 consumed, distributed, or stored for use or consumption in the state if the sale of
 23 such property would have been exempted or excluded from sales tax at the time such
 24 property became subject to the taxing jurisdiction of the state.

25 (b) Any political subdivision on tangible personal property or digital
 26 products used, consumed, distributed, or stored for use or consumption in such
 27 political subdivision if the sale of such property would have been exempted or

1 excluded from sales tax at the time such property became subject to the taxing
2 jurisdiction of the political subdivision.

3 * * *

4 (29) With respect to the furnishing of telecommunications and ancillary
5 services, as used in this Chapter the following words, terms, and phrases have the
6 meaning ascribed to them in this Paragraph, unless the context clearly indicates a
7 different meaning:

8 * * *

9 (x) "Telecommunications service" means the electronic transmission,
10 conveyance, or routing of voice, data, audio, video, or any other information or
11 signals to a point, or between or among points. "Telecommunications service"
12 includes such transmission, conveyance, or routing in which computer processing
13 applications are used to act on the form, code, or protocol of the content for purposes
14 of transmission, conveyance, or routing without regard to whether such service is
15 referred to as voice over Internet protocol service or is classified by the Federal
16 Communications Commission as an enhanced or value-added service.
17 "Telecommunications service" does not include any of the following:

18 * * *

19 (ix) Digital products ~~delivered electronically~~, including but not limited to
20 software, music, video, reading materials, or ring tones.

21 * * *

22 (32) "Digital code" means a code that permits a purchaser to obtain at a later
23 date one or more digital products, if all of the digital products to be obtained through
24 the use of the code have the same sales and use tax treatment. "Digital code" does
25 not include a code that represents a stored monetary value that is deducted from a
26 total as it is used by the purchaser. "Digital code" also does not include a code that
27 represents a redeemable card, gift card, or gift certificate that entitles the holder to
28 select digital products of an indicated cash value. A digital code may be obtained by

1 any means, including e-mail or by tangible means regardless of its designation as
2 song code, video code, book code, or some other term.

3 (33)(a) "Digital product" means a product that is transferred electronically or
4 delivered by means other than tangible storage media through the use of technology
5 having electrical, digital, magnetic, wireless, optical or electromagnetic, or similar
6 capabilities.

7 (b) "Digital product" includes, but is not limited to, all of the following:

8 (i) Sounds, images, data, facts, or information, or any combination thereof.

9 (ii) Computer software as defined in Paragraph (22) of this Section.

10 (iii) Charges made to customers for the right to access and use prewritten
11 computer software where possession of the software is maintained by the seller or
12 a third party regardless of whether the charge for the service is on a per use, per user,
13 per license, subscription, or some other basis.

14 (iv) Digital codes.

15 (c) "Digital product" does not include any of the following:

16 (i) Any intangible such as a patent, stock, bond, goodwill, trademark,
17 franchise, or copyright.

18 (ii) Telecommunications services and ancillary services as those terms are
19 defined in Subparagraphs (29)(b) and (x) of this Section.

20 (iii) Internet access service charges.

21 (iv) The representation of a professional service, as described in
22 Subparagraph (16)(e) of this Section, in an electronic form, such as an electronic
23 copy of an engineering report prepared by an engineer that primarily involves the
24 application of human effort, and the human effort originated after the customer
25 requested the service.

26 (v) Newspapers transferred electronically if the exclusion in Subparagraph
27 (16)(p) of this Section is in effect.

28 (d) The sale of a digital code that may be utilized to obtain a digital product
29 shall be taxed in the same manner as the digital product.

1 (e) For purposes of taxes imposed under this Chapter or Chapter 2-A or 2-C
2 of this Title, whenever the words "property" or "personal property" are used, those
3 terms shall be construed to include any digital product unless any of the following
4 applies:

5 (i) It is clear from the context that the term "personal property" is intended
6 to refer only to tangible personal property.

7 (ii) It is clear from the context that the term "property" is intended to refer
8 only to tangible personal property, real property, or both.

9 (iii) To construe the term "property" or "personal property" as including any
10 digital product would yield unlikely, absurd, or strained consequences.

11 (34)(a) "Transferred electronically" means any product obtained by the
12 purchaser by means other than tangible storage media, regardless of whether the
13 seller grants permanent use or less than permanent use and regardless of whether the
14 transaction is conditioned upon contingent payment. It is not necessary that a copy
15 of the product be physically transferred to the purchaser. So long as the purchaser
16 may access the product, it will be considered to have been electronically transferred
17 to the purchaser. The definition provided for in this Paragraph applies whether the
18 transfer is to an end user or a person who is not an end user, unless otherwise
19 exempted.

20 (b) For purposes of this Section, the term "permanent use" means use that
21 is perpetual or for an indefinite or unspecified length of time.

22 (c)(i) The term "end user" means any purchaser other than a purchaser who
23 receives by contract a digital product for further commercial broadcast, rebroadcast,
24 transmission, retransmission, licensing, relicensing, distribution, redistribution or
25 exhibition of the product, in whole or in part, to others. A person that purchases
26 digital products for the purpose of giving away such products or codes will not be
27 considered to have engaged in the distribution or redistribution of such products or
28 codes and will be treated as an end user.

1 (ii) If a purchaser of a digital product does not receive the contractual right
2 to further redistribute, after the digital code is redeemed, the underlying product to
3 which the digital code relates, then the purchaser of the digital code is an end user.
4 If the purchaser of the digital code receives the contractual right to further
5 redistribute, after the digital code is redeemed, the underlying product to which the
6 digital code relates, then the purchaser of the digital code is not an end user. A
7 purchaser of a digital code who has the contractual right to further redistribute the
8 digital code is an end user if that purchaser does not have the right to further
9 redistribute, after the digital code is redeemed, the underlying product to which the
10 digital code relates.

11 * * *

12 §301.3. Digital products

13 A. Amnesty. Purchasers of digital products shall have the following
14 amnesty:

15 (1) Except as provided in Paragraph (2) of this Subsection, no person may
16 be held liable for the failure to collect or pay state sales and use taxes accrued before
17 January 1, 2024, on the sale or use of digital products.

18 (2) The provisions of Paragraph (1) of this Subsection do not relieve any
19 person from liability for state sales taxes that the person collected from buyers but
20 did not remit to the department.

21 (3) Nothing in this Subsection shall be construed as authorizing the refund
22 of state sales and use taxes properly paid on the sale or use of digital products before
23 January 1, 2024.

24 B. Multiple points of use. (1) State sales and use tax impositions do not
25 apply to the sale of digital products, or services defined as a retail sale or sale at
26 retail in R.S. 47:301(10), to a buyer that provides the seller with an exemption
27 certificate claiming multiple points of use. An exemption certificate claiming
28 multiple points of use must be in a form and contain such information as required by
29 the department.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (2) A buyer is entitled to use an exemption certificate claiming multiple
2 points of use only if the buyer is a business or other organization and the purchased
3 digital products or services will be concurrently available for use within and outside
4 this state. A buyer is not entitled to use an exemption certificate claiming multiple
5 points of use for digital products or services that are purchased for personal use.

6 (3) A buyer claiming an exemption pursuant to this Subsection shall report
7 and pay all state sales and use tax due directly to the department in accordance with
8 R.S. 47:306(A).

9 (4) For purposes of this Subsection, "concurrently available for use within
10 and outside this state" means that employees or other agents of the buyer may use the
11 digital products or services, defined as a retail sale or sale at retail in R.S.
12 47:301(10), simultaneously from one or more locations within this state and one or
13 more locations outside this state. A digital code is concurrently available for use
14 within and outside this state if employees or other agents of the buyer may use the
15 digital goods or services to be obtained by the code simultaneously at one or more
16 locations within this state and one or more locations outside this state.

17 (5) A business or other organization subject to use tax on digital products or
18 services that are concurrently available for use within and outside this state is entitled
19 to allocate the amount of tax due this state based on users in this state compared to
20 users everywhere. Additionally, the department may authorize or require an
21 alternative method of allocation supported by the taxpayer's records that fairly
22 reflects the proportion of in-state to out-of-state use by the taxpayer. No allocation
23 is allowed pursuant to this Subsection unless the allocation method is supported by
24 the taxpayer's records kept in the ordinary course of business.

25 C. Bundled transactions. (1) In the case of the sale of a digital code that
26 provides a purchaser with the right to obtain more than one digital product, and
27 which may also include the right to obtain other products or services, and all of the
28 products and services, digital or otherwise, to be obtained through the use of the code
29 do not have the same sales and use tax treatment, both of the following shall apply:

1 (a) The transaction is deemed to be the sale of the products and services to
2 be obtained through the use of the code.

3 (b) The state sales and use tax applies to the entire selling price of the code,
4 except as provided in Paragraph (2) of this Subsection.

5 (2) If the seller can identify by reasonable and verifiable standards the portion
6 of the selling price attributable to the products and services that are not subject to
7 state sales and use tax from its books and records that are kept in the regular course
8 of business for other purposes including, but not limited to nontax purposes, state
9 sales and use tax does not apply to that portion of the selling price of the code
10 attributable to the products and services that are not subject to state sales and use tax.

11 D. Sourcing for sales tax purposes. (1) Sales or leases of digital products
12 or services are deemed to take place at the first of the following locations that applies
13 to the transaction:

14 (a) The business location, in cases where the digital product or service is
15 received by the buyer at a business location.

16 (b) If Subparagraph (a) of this Paragraph is not applicable, the location
17 where receipt of the digital product or service takes place.

18 (c) If Subparagraph (a) or (b) of this Paragraph is not applicable, the location
19 indicated by an address for the buyer that is available from the seller's business
20 records maintained in the ordinary course of business, so long as the address does not
21 constitute bad faith.

22 (d) If Subparagraph (a), (b) or (c) of this Paragraph is not applicable, the
23 location indicated by an address for the buyer obtained during the sale.

24 (e) If Subparagraph (a), (b), (c), or (d) of this Paragraph is not applicable or
25 the seller is without sufficient information to apply those provisions, the location
26 determined by the address from which the digital product or service was first
27 available for transmission by the seller, or from which the digital service was
28 provided.

1 (2) For purposes of Paragraph (1) of this Subsection, "receive" or "receipt"
2 means either of the following:

3 (a) Making first use of a digital service.

4 (b) Taking possession or making first use of a digital product, whichever
5 occurs first.

6 E. Sourcing for use tax purposes. (1) Use of digital products means the
7 location of the first act within this state by which the end user views, accesses,
8 downloads, possesses, stores, opens, manipulates, or otherwise uses or enjoys a
9 digital product.

10 (2) Use of a digital service means the location of the first act within this state
11 by which the end user uses, enjoys, or otherwise receives the benefit of the service.

12 F. Rules. The secretary may promulgate rules and regulations in accordance
13 with the Administrative Procedure Act to implement the provisions of this Section,
14 including rules addressing the taxation of any and all digital products and services.

15 Any rule promulgated by the department shall be construed in favor of the secretary.

16 §302. Imposition of tax

17 A. There is hereby levied a tax upon the sale at retail, the use, the
18 consumption, the distribution, and the storage for use or consumption in this state,
19 of each item or article of tangible personal property or digital product, as defined
20 herein, the levy of said tax to be as follows:

21 (1) At the rate of two per centum (2%) of the sales price of each item or
22 article of tangible personal property or digital product when sold at retail in this
23 state; the tax to be computed on gross sales for the purpose of remitting the amount
24 of tax due the state, and to include each and every retail sale.

25 (2) At the rate of two per centum (2%) of the cost price of each item or
26 article of tangible personal property or digital product when the same is not sold but
27 is used, consumed, distributed, or stored for use or consumption in this state;
28 provided there shall be no duplication of the tax.

1 B. There is hereby levied a tax upon the lease or rental within this state of
2 each item or article of tangible personal property or digital product, as defined
3 herein; the levy of said tax to be as follows:

4 (1) At the rate of two per centum (2%) of the gross proceeds derived from
5 the lease or rental of tangible personal property or digital product, as defined herein,
6 where the lease or rental of such property or products is an established business, or
7 part of an established business, or the same is incidental or germane to the said
8 business.

9 (2) At the rate of two per centum (2%) of the monthly lease or rental price
10 paid by lessee or rentee, or contracted or agreed to be paid by lessee or rentee to the
11 owner of the tangible personal property or digital product.

12 * * *

13 D. Notwithstanding any other provision of law to the contrary, no sales or
14 use tax of any taxing authority shall be levied on any advertising service rendered by
15 an advertising business, including but not limited to advertising agencies, design
16 firms, and print and broadcast media, or any member, agent, or employee thereof, to
17 any client whether or not such service also involves a transfer to the client of tangible
18 personal property or digital product. However, a transfer of mass-produced
19 advertising items by an advertising business which manufactures the items itself to
20 a client for the client's use, which transfer involves the furnishing of minimal
21 services other than manufacturing services by the advertising business shall be a
22 taxable sale or use of tangible personal property; provided that in no event shall tax
23 be levied on charges for creative services which are separately invoiced.

24 * * *

25 K. An additional tax shall be levied as follows:

26 (1) At the rate of four percent of the sales price of each item or article of
27 tangible personal property or digital product when sold at retail in this state; the tax
28 to be computed on gross sales for the purpose of remitting the amount of tax due the
29 state, and to include each and every retail sale.

1 (2) At the rate of four percent of the cost price of each item or article of
2 tangible personal property or digital product when the same is not sold but is used,
3 consumed, distributed, or stored for use or consumption in this state; provided there
4 shall be no duplication of the tax.

5 * * *

6 U. Collection of consumer use tax. It is the duty of the secretary of the
7 Department of Revenue to collect all taxes imposed pursuant to this Chapter and
8 Chapters 2-A and 2-B of this Subtitle which may be due upon the sale by a remote
9 retailer of tangible personal property, digital products, or services in Louisiana. The
10 secretary is authorized and directed to employ all means available to ensure the
11 collection of the tax in an equitable, efficient, and effective manner.

12 V.(1) In addition to the definition of "dealer" as provided in R.S. 47:301(4)
13 for purposes of the consumer use tax, the term "dealer" includes every person who
14 manufactures or produces tangible personal property or digital product for sale at
15 retail, for use or consumption, or distribution, or for storage to be used or consumed
16 in a taxing jurisdiction. "Dealer" is further defined to mean:

17 (a) Any person engaging in business in the taxing jurisdiction which shall
18 mean the solicitation of business through an independent contractor or any other
19 representative pursuant to an agreement with a Louisiana resident or business under
20 which the resident or business, for a commission, referral fee, or other consideration
21 of any kind, directly or indirectly, refers potential customers, whether by link on an
22 internet website, an in-person oral presentation, telemarketing, or otherwise to the
23 seller. If the cumulative gross receipts from sales of tangible personal property or
24 digital product to customers in this state who are referred to the person through such
25 an agreement exceeds fifty thousand dollars during the preceding twelve months, the
26 presumption regarding the status of that person as a dealer may be rebutted if the
27 person can demonstrate, to the satisfaction of the secretary, that he cannot reasonably
28 be expected to have gross receipts in excess of fifty thousand dollars for the
29 succeeding twelve months.

1 (b) Any person selling tangible personal property, digital products, or
2 services, the use of which is taxed pursuant to this Chapter, who:

3 * * *

4 BB. Notwithstanding any other provision of law to the contrary, including
5 but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
6 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
7 levied pursuant to the provisions of this Section, except for the retail sale, use,
8 consumption, distribution, or storage for use or consumption of the following:

9 * * *

10 (13) Sales, leases, or rentals of tangible personal property or digital products
11 paid by or under the provisions of Medicare as provided in R.S. 47:315.3.

12 * * *

13 (17) Tangible personal property or digital products that are sold or donated
14 to a food bank as provided in R.S. 47:301(10)(j) and (18)(a)(i).

15 * * *

16 (25) Tangible personal property and digital products for resale as provided
17 in R.S. 47:301(10)(a)(i).

18 * * *

19 (27) Isolated or occasional sales of tangible personal property and digital
20 products by a person not engaged in such business as provided in R.S. 47:301(1) and
21 (10)(c)(ii)(bb).

22 * * *

23 (30) An article traded in on the purchase of tangible personal property or a
24 digital product as provided in R.S. 47:301(13)(a).

25 * * *

26 (33) Credit for sales and use taxes paid to another state on tangible personal
27 property or digital products imported in Louisiana as provided in R.S.
28 47:303(A)(3)(a).

29 * * *

1 (56) Transactions in interstate commerce and tangible personal property and
2 digital products imported into this state, or produced or manufactured in this state,
3 for export as provided in R.S. 47:305(E).

4 * * *

5 (66) Sales, leases, and rentals of tangible personal property and digital
6 products to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. as
7 provided in R.S. 47:301(7)(g) and (10)(r).

8 * * *

9 (81) Sales of admissions, parking fees, and sales of tangible personal
10 property and digital products at events sponsored by domestic, civic, educational,
11 historical, charitable, fraternal, or religious nonprofit organizations as provided in
12 R.S. 47:305.14(A)(1).

13 * * *

14 (109) Sales of tangible personal property, digital products, and services at
15 certain public facilities as provided in R.S. 39:467 and 468.

16 * * *

17 CC. The provisions of Subsection BB of this Section shall supersede and
18 control to the extent of conflict with any other provision of law beginning July 1,
19 2018, through June 30, 2025. Digital products will be taxed in the same manner as
20 any complementary tangible personal property or service included in Subsection BB
21 of this Section.

22 * * *

23 §303. Collection

24 A. Collection from dealer.

25 * * *

26 (2) On all tangible personal property or digital products imported, or caused
27 to be imported, from other states or foreign countries, and used by him, the "dealer",
28 as hereinafter defined, shall pay the tax imposed by this Chapter on all articles of
29 tangible personal property or digital products so imported and used, the same as if

1 the said articles had been sold at retail for use or consumption in this state. For the
2 purposes of this Chapter, the use, or consumption, or distribution, or storage to be
3 used or consumed in this state of tangible personal property or digital products, shall
4 each be equivalent to a sale at retail, and the tax shall thereupon immediately levy
5 and be collected in the manner provided herein, provided there shall be no
6 duplication of the tax in any event.

7 (3)(a) A credit against the use tax imposed by this Chapter shall be granted
8 to taxpayers who have paid a similar tax upon the sale or use of the same tangible
9 personal property or digital products in another state. The credit provided herein
10 shall be granted only in the case where the state to which a similar tax has been paid
11 grants a similar credit as provided herein, provided that members of the armed forces
12 who are citizens of this state and whose orders or enlistment contracts stipulate a
13 period of active duty of two years or more and who purchase automobiles outside of
14 the state of Louisiana while on such tour of active duty shall be granted such credit
15 in connection with the purchase of such automobiles whether or not the state to
16 which such tax thereon has been paid grants a similar credit as herein provided. The
17 amount of the credit shall be calculated by multiplying the rate of the similar tax paid
18 in the other state by the cost price which is subject to Louisiana use tax at the time
19 of the importation of the tangible personal property or digital products. The proof
20 of payment of a similar tax to another state shall be made according to rules and
21 regulations promulgated by the secretary. In no event shall the credit be greater than
22 the tax imposed by Louisiana upon the particular tangible personal property or digital
23 product which is the subject of the Louisiana use tax.

24 * * *

25 G. Direct Payment Numbers. Notwithstanding any provision of law to the
26 contrary, a Louisiana taxpayer who obtains a DP Number as provided in R.S.
27 47:303.1 shall remit sales and use taxes due on purchases and rentals of tangible
28 personal property, digital products, and taxable services directly to the state and local
29 taxing bodies to whom the sales and use taxes are due, and shall not be liable to remit

1 the tax to the vendor or lessor of the tangible personal property, digital products, and
2 taxable services, as provided in R.S. 47:303.1.

3 * * *

4 §303.1. Direct Payment Numbers

5 A. Notwithstanding any other law to the contrary except for the provisions
6 of R.S. 47:303(B) and (E), the state and local sales and use tax due on the purchase,
7 importation, or lease of tangible personal property, digital products, or taxable
8 services by taxpayers who have obtained a Direct Payment Number, hereinafter
9 referred to as a "DP Number," shall be remitted directly to the state and appropriate
10 political subdivision by such taxpayer, as provided in this Section. The vendor or
11 lessor of tangible personal property, digital products, or taxable services shall not be
12 responsible for collecting sales and use tax on such sales or leases, and shall not be
13 liable for such tax as provided in R.S. 47:304(C), upon presentation to him of a valid
14 DP Number by such purchaser or lessee, provided that the vendor or lessor notes the
15 DP Number on the untaxed contract or invoice submitted to such purchaser and
16 lessee.

17 B.(1) A DP Number shall be issued to and shall be continued to be held by
18 a taxpayer who obtains the required approvals and who meets all of the qualifications
19 provided for in this Section and the following qualifications:

20 * * *

21 (c) The taxpayer has an annual average of five million dollars of taxable
22 purchases or leases of tangible personal property, digital products, and taxable
23 services for three calendar years prior to the year of application by the taxpayer, and
24 has such an average for each subsequent three-year period.

25 * * *

26 (2)

27 * * *

28 (b) Separate DP Numbers shall be issued to and shall be continued to be held
29 by taxpayers that are subsidiary entities of a private, nonprofit, tax-exempt

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 organization, as defined under Section 501(c)(3) of the Internal Revenue Code, that
 2 meets the requirements of Subparagraph (a) of this Paragraph, as well as to those
 3 taxpayer entities in which the tax-exempt organization is the sole member, provided
 4 that these entities are licensed by the Louisiana Department of Health, Louisiana
 5 Board of Pharmacy, or otherwise have as their mission promoting the delivery of
 6 healthcare and patient medical services and products and further provided that these
 7 entities and the tax exempt organization together have in the aggregate an annual
 8 average of ten million dollars of taxable purchases or leases of tangible personal
 9 property, digital products, and taxable services for three calendar years prior to the
 10 year of application, and have such an average for each subsequent three-year period,
 11 and which obtain the required approvals and meet the qualifications provided for in
 12 Subparagraphs (1)(b) and (1)(d) of this Subsection.

13 * * *

14 §304. Treatment of tax by dealer

15 * * *

16 B. Every dealer located outside the state making sales of tangible personal
 17 property or digital products for distribution, storage, use, or other consumption, in
 18 this state, shall at the time of making sales collect the tax imposed by this Chapter
 19 from the purchaser.

20 * * *

21 §305. Exclusions and exemptions from the tax

22 * * *

23 E. It is not the intention of any taxing authority to levy a tax upon articles of
 24 tangible personal property or digital products imported into this state, or produced
 25 or manufactured in this state, for export; nor is it the intention of any taxing authority
 26 to levy a tax on bona fide interstate commerce; however, nothing herein shall prevent
 27 the collection of the taxes due on sales of tangible personal property or digital
 28 products into this state which are promoted through the use of catalogs and other
 29 means of sales promotion and for which federal legislation or federal jurisprudence

1 enables the enforcement of the sales tax of a taxing authority upon the conduct of
 2 such business. It is, however, the intention of the taxing authorities to levy a tax on
 3 the sale at retail, the use, the consumption, the distribution, and the storage to be used
 4 or consumed in this state, of tangible personal property or digital products after ~~it has~~
 5 they have come to rest in this state and have become a part of the mass of property
 6 in this state. At such time as federal legislation or federal jurisprudence as to sales
 7 in interstate commerce promoted through the use of catalogs and other means of
 8 sales promotions enables the enforcement of this Chapter or any other law or local
 9 ordinance imposing a sales tax against vendors that have no other nexus with the
 10 taxing jurisdiction, the following provisions shall apply to such sales on which sales
 11 and use tax would not otherwise be collected.

12 * * *

13 §305.10. Exclusions and exemptions; property purchase for first use outside the
 14 state

15 A. There shall be no sales or use tax due upon the sale at retail or use of
 16 tangible personal property, including diesel fuel, or digital products purchased within
 17 or imported into Louisiana for first use exclusively beyond the territorial limits of
 18 Louisiana as specifically provided hereinafter in this Section.

19 * * *

20 C. If the first use of tangible personal property or digital products purchased
 21 within or imported into Louisiana occurs offshore beyond the territorial limits of any
 22 state, the exemption provided herein shall apply only if:

23 (1) The purchaser or importer has determined the location of the first use of
 24 the tangible personal property or digital product at the time of its purchase and has
 25 notified the vendor of that location; or

26 (2) The purchaser or importer has not determined the intended offshore
 27 location of first use at the time of purchase or importation, but has obtained from the
 28 secretary of the Department of Revenue an "offshore registration number"

1 authorizing him to claim the exemption under the conditions provided in this
2 Paragraph:

3 (a) Said offshore registration number shall be issued only if the purchaser or
4 importer has shown, to the satisfaction of the secretary, that records, reports, and
5 business practices are sufficient to permit verification that tangible personal property
6 or digital products purchased or imported tax-free under this Subsection is, in fact,
7 being purchased or imported for use offshore beyond the territorial limits of any
8 state. In cases of purchases of fungible goods, including vessel fuel and lubricants,
9 the required records shall include purchase invoices, vessel logs, fuel usage records,
10 fuel transfer records and other reports and records that will enable the secretary to
11 determine the amount of fungible goods consumed within Louisiana so as to be
12 subject to the sales and use tax, and the amount of fungible goods delivered to or
13 consumed at offshore locations beyond the territorial limits of the state, so as not to
14 be subject to the sales and use tax. For the purpose of the Section, the term "fungible
15 goods" means goods of which any unit is unidentifiable and is, from its nature or by
16 mercantile custom, treated as the equivalent of any other unit and shall include crude
17 petroleum and its refined products.

18 (b) The offshore registration number issued by the secretary under this
19 Subsection may be revoked by the secretary at any time if the purchaser or importer
20 fails to meet the conditions set herein, or if the secretary finds that the purchaser or
21 importer is consistently using the certificate to purchase or import tax-free tangible
22 personal property or digital products for first use in state.

23 (c) If the offshore registration number is revoked, all tangible personal
24 property or digital products purchased or imported tax-free under this Paragraph and
25 in the possession of the purchaser or importer within this state shall be deemed
26 taxable unless otherwise exempt under the provisions of Paragraph (1) of this
27 Subsection. If the provisions of Paragraph (1) of this Subsection are not complied
28 with, any subsequent purchase or import of tangible personal property will be

1 taxable, whether for instate or offshore use, until the certificate and offshore number
2 are reissued.

3 * * *

4 (3) Except for purchases or importation of tangible personal property or
5 digital products in accordance with Paragraphs (1) and (2) of this Subsection, any
6 purchase or importation of property is taxable at the time of purchase or import
7 unless otherwise exempt.

8 D. If tangible personal property or digital products purchased or imported
9 tax-free under the provisions of this Section ~~is~~ are subsequently used for any taxable
10 purpose within the state, use tax shall be paid by the purchaser or importer as of the
11 time of its use in this state. Storage of property purchased or imported tax-free under
12 this Section which is ultimately used in another state will be considered a
13 "subsequent use for a taxable purpose".

14 E. If tangible personal property or digital products purchased within or
15 imported into the state tax-free under the provisions of this Section ~~is~~ are later
16 returned to Louisiana for use for a taxable purpose, the property shall be subject to
17 the Louisiana use tax as of the time it is brought into the state, subject to the credit
18 provided in R.S. 47:303(A).

19 * * *

20 §305.14. Exclusions and exemptions; nonprofit organizations; nature of exemption;
21 limitations; qualifications; newspapers; determination of tax exempt status

22 A.(1)(a) The sales and use taxes imposed by taxing authorities shall not
23 apply to sales of tangible personal property or digital products at, or admission
24 charges for, outside gate admissions to, or parking fees associated with, events
25 sponsored by domestic, civic, educational, historical, charitable, fraternal, or
26 religious organizations, which are nonprofit, when the entire proceeds, except for
27 necessary expenses such as fees paid for guest speakers, chair and table rentals, and
28 food and beverage utility related items connected therewith, are used for educational,
29 charitable, religious, or historical restoration purposes, including the furtherance of

1 the civic, educational, historical, charitable, fraternal, or religious purpose of the
2 organization. In addition, newspapers published in this state by religious
3 organizations shall also be exempt from such taxes, provided that the price paid for
4 the newspaper or a subscription to the newspaper does not exceed the cost to publish
5 such newspaper.

6 * * *

7 (5) Notwithstanding any other provision of law to the contrary, for purposes
8 of state and political subdivision sales and use tax, "sales and use" shall not mean the
9 purchase of tangible personal property, digital products, or taxable services, by
10 nonprofit literacy organizations in compliance with the court order from the Dodd
11 Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, limited to
12 books, workbooks, computers, computer software, films, videos, and audio tapes.

13 * * *

14 §305.38. Exclusions and exemptions; sheltered workshop or supported employment
15 provider for persons with intellectual disabilities

16 The sale at retail, the use, the consumption, the distribution, and the storage
17 for use or consumption in this state of each item or article of tangible personal
18 property or digital products by a sheltered workshop or a supported employment
19 provider as defined in R.S. 39:1604.4 for persons with intellectual disabilities
20 licensed by the Department of Children and Family Services as a day developmental
21 training center for persons with intellectual disabilities shall not be subject to the
22 sales and use taxes levied by the state or by any political subdivision thereof.

23 * * *

24 §305.53. Exclusions and exemptions; sickle cell disease organizations

25 A. The sale at retail, the rental or lease, the use, the consumption, the
26 distribution, and the storage for use or consumption in this state of each item or
27 article of tangible personal property, digital products, or any taxable service, by a
28 nonprofit organization established prior to 1975 which conducts a comprehensive
29 program on sickle cell disease which includes but is not limited to free education,

1 free testing, free counseling, and free prescriptions, transportation, and food
2 packages for sickle cell patients shall not be subject to the sales and use taxes levied
3 by the state or by any other tax authority.

4 * * *

5 §305.54. Exemption; Annual Louisiana Sales Tax Holidays Act

6 * * *

7 B.(1) Notwithstanding any other provisions of law to the contrary, the sales
8 tax levied by the state of Louisiana and its political subdivisions whose boundaries
9 are coterminous with those of the state shall not apply to the first two thousand five
10 hundred dollars of the sales price or cost price of any consumer purchases of tangible
11 personal property or digital products that occur on the first consecutive Friday and
12 Saturday of August each year.

13 (2) For purposes of this Section, "consumer purchases" shall mean purchases
14 of items of tangible personal property or digital products other than vehicles subject
15 to license and title. Consumer purchases shall not include the purchase of meals
16 furnished for consumption on the premises where purchased, including to-go orders.

17 C. This provision will apply if and only if during the time period provided
18 for in Paragraph (B)(1) of this Section, one of the following occurs:

19 (1) Title to or possession of an item of tangible personal property or a digital
20 product is transferred from a selling dealer to a purchaser.

21 * * *

22 §306.5. Annual reporting requirement

23 A.(1) Notwithstanding any provision of law to the contrary, transactions
24 listed in Subsection B of this Section involving sales of tangible personal property,
25 digital products, or services that are not subject to state sales and use tax pursuant to
26 the exclusions and exemptions provided by law shall be subject to an annual
27 reporting requirement based on transactions occurring during the previous fiscal
28 year, beginning on July first of the preceding year and ending on June thirtieth of the
29 current year.

1 (2) The annual report shall include all of the following information:

2 * * *

3 (c) Annual gross sales of tangible personal property, digital products, or
4 services that are not subject to state sales and use tax pursuant to the exclusions and
5 exemptions provided for in Subsection B of this Section.

6 * * *

7 §307. Collector's authority to determine the tax in certain cases

8 A. In the event any dealer fails to make a report and pay the tax as provided
9 in this Chapter or in case the dealer makes a grossly incorrect report or a report that
10 is false or fraudulent, the collector shall make an estimate of the retail sales of such
11 dealer for the taxable period, of the gross proceeds from rentals or leases of tangible
12 personal property by the dealer, or the cost price of all articles of tangible personal
13 property or digital products imported by the dealer for use or consumption or
14 distribution or storage to be used or consumed in this state, and of the gross amounts
15 paid or charged for services taxable; and it shall be the duty of the collector to assess
16 and collect the tax together with any interest and penalty that may have accrued
17 thereon, which assessment shall be considered prima facie correct and the burden to
18 show the contrary shall rest upon the dealer.

19 B. In the event the dealer has imported tangible personal property or digital
20 products and he fails to produce an invoice showing the cost price of the articles
21 which are subject to tax, or the invoice does not reflect the true or actual cost, then
22 the collector shall ascertain in any manner feasible the true cost price and shall assess
23 and collect the tax, together with any interest and penalties that may have accrued,
24 on the basis of the true cost as assessed by him. The assessment so made shall be
25 considered prima facie correct, and the burden shall be on the dealer to show the
26 contrary.

27 C. In the case of the lease or rental of tangible personal property or digital
28 products, if the consideration given or reported by the dealer does not, in the
29 judgment of the collector, represent the true or actual consideration, then the

1 collector is authorized to ascertain in any manner feasible the true or actual
2 consideration and assess and collect the tax thereon together with any interest and
3 penalties that may have accrued. The assessment so made shall be considered prima
4 facie correct and the burden shall be on the dealer to show the contrary.

5 * * *

6 §309. Dealers required to keep records

7 A.(1) Every dealer required to make a report and pay any tax under this
8 Chapter shall keep and preserve suitable records of the sales, purchases, or leases
9 taxable under this Chapter, and such other books of accounts as may be necessary
10 to determine the amount of tax due hereunder, and other information as may be
11 required by the secretary; and each dealer shall secure, maintain and keep until the
12 taxes to which they relate have prescribed, a complete record of tangible personal
13 property or digital products received, used, sold at retail, distributed, or stored, leased
14 or rented, within this state by the said dealer, together with invoices, bills of lading,
15 and other pertinent records and papers as may be required by the secretary for the
16 reasonable administration of this Chapter, and a complete record of all sales or
17 purchases of services taxable under this Chapter until the taxes to which they relate
18 have prescribed.

19 * * *

20 §309.1. Sales in Louisiana of tangible personal property, digital products, and
21 taxable services by a dealer or remote retailer; the provision of lists, notices,
22 and statements by a dealer or remote retailer

23 * * *

24 B. Definitions. As used in this Section, the following words and phrases
25 have the following meanings unless the context clearly indicates otherwise:

26 (1) "Louisiana purchaser" or "purchaser" means a person who purchases
27 tangible personal property, digital products, or taxable services in a transaction with
28 a remote retailer for property or a service that is delivered for use or benefit in

1 Louisiana, and no Louisiana sales and use tax was collected or paid on the
2 transaction.

3 (2) "Remote retailer" or "retailer" means a retailer that purposefully avails
4 itself in any way of the benefits of an economic market in Louisiana or who has any
5 other minimum contacts with the state and who meets all of the following criteria:

6 * * *

7 (b) Makes retail sales of tangible personal property, digital products, or
8 taxable services where the property is delivered into Louisiana or the beneficial use
9 of the service occurs in Louisiana, and the cumulative annual gross receipts for the
10 retailer and its affiliates from those sales exceeds fifty thousand dollars per calendar
11 year.

12 * * *

13 D. Annual statement submitted by remote retailer. By March first of each
14 year a remote retailer who made retail sales of tangible personal property, digital
15 products, or taxable services to Louisiana purchasers in the immediately preceding
16 calendar year shall file with the secretary an annual statement for each purchaser
17 which includes the total amount paid by the purchaser to that retailer in the
18 immediately preceding calendar year. Under no circumstances shall the statement
19 contain detail as to specific property or services purchased, but it shall include the
20 total amount paid. The statement shall be submitted on forms to be developed and
21 provided by the secretary. The secretary is authorized to require the electronic filing
22 of statements by a remote retailer who had sales in Louisiana in excess of one
23 hundred thousand dollars in the immediately preceding calendar year.

24 * * *

25 §310. Wholesalers and jobbers required to keep records

26 A. All wholesale dealers and jobbers in this state shall keep a record of all
27 sales of tangible personal property or digital products made in this state whether such
28 sales be for cash or on terms of credit. These records shall contain and include the
29 name and address of the purchaser, the date of the purchase, the article purchased

1 and the price at which the article is sold to the purchaser. These records shall be kept
2 until the taxes to which they relate have prescribed and shall be open to the
3 inspection of the secretary at all reasonable hours.

4 * * *

5 §312. Failure to pay tax on imported tangible personal property or digital products;
6 grounds for attachment

7 A. The failure of any dealer to pay the tax and any interest, penalties, or
8 costs due under the provisions of this Chapter on any tangible personal property or
9 digital products imported from outside the state for use, consumption, distribution
10 or storage to be used in this state, or imported for the purpose of leasing or renting
11 the same, shall make the tax, interest, penalties, or costs ipso facto delinquent. This
12 failure shall moreover be a sufficient ground for the attachment of the personal
13 property imported wherever it may be found, whether the delinquent taxpayer is a
14 resident or nonresident, and whether the property is in the possession of the
15 delinquent taxpayer or in the possession of other persons.

16 B. It is the intention of this law to prevent the disposition of the ~~said~~ tangible
17 personal property or digital products in order to insure payment of the tax imposed
18 by this Chapter, together with interest, penalties and costs, and authority to attach is
19 hereby specifically granted to the collector. The procedure prescribed by law in
20 attachment proceedings shall be followed except that no bond shall be required of
21 the State.

22 * * *

23 §314. Failure to pay tax; rule to cease business

24 Failure to pay any tax due as provided in this Chapter shall ipso facto,
25 without demand or putting in default, cause the tax, interest, penalties, and costs to
26 become immediately delinquent, and the collector has the authority, on motion in a
27 court of competent jurisdiction, to take a rule on the dealer, to show cause in not less
28 than two or more than ten days, exclusive of holidays, why the dealer should not be
29 ordered to cease from further pursuit of business as a dealer. This rule may be tried

1 out of term and in chambers, and shall always be tried by preference. If the rule is
2 made absolute, the order rendered thereon shall be considered a judgment in favor
3 of the state, prohibiting the dealer from the further pursuit of said business until such
4 time as he has paid the delinquent tax, interest, penalties and costs, and every
5 violation of the injunction shall be considered as a contempt of court, and punished
6 according to law. For the purpose of the enforcement of this Chapter and the
7 collection of the tax levied hereunder, it is presumed that all tangible personal
8 property or digital products imported or held in this state by any dealer is to be sold
9 at retail, used or consumed, or stored for use or consumption in this state, or leased
10 or rented within this state, and is subject to the tax herein levied; this presumption
11 shall be prima facie only, and subject to proof furnished to the collector.

12 §315. Sales returned to dealer; credit or refund of tax

13 A. Whenever tangible personal property or digital products are sold ~~is and~~
14 returned to the dealer by the purchaser or consumer or in the event the amount paid
15 or charged for services is refunded or credited to the purchaser or consumer after the
16 tax imposed by this Chapter has been collected, or charged to the account of the
17 purchaser, consumer, or user, the dealer shall be entitled to reimbursement of the
18 amount of tax so collected or charged by him, in the manner prescribed by the
19 collector; and in case the tax has not been remitted by the dealer to the collector, the
20 dealer may deduct the same in submitting his return. Upon receipt of a signed
21 statement of the dealer as to the gross amount of such refunds during the period
22 covered by the signed statement, which period shall not be longer than ninety days,
23 the collector shall issue to the dealer an official credit memorandum equal to the net
24 amount remitted by the dealer for the tax collected. This memorandum shall be
25 accepted by the collector at full face value from the dealer to whom it is issued, in
26 the remittance for subsequent taxes accrued under the provisions of this Chapter. In
27 cases where a dealer has retired from business and has filed a final return, a refund
28 of tax may be made if it can be established to the satisfaction of the collector that the
29 tax paid was not due.

1 B.(1) Whenever the unpaid balance of an account due to the dealer for the
 2 purchase of tangible personal property, digital products, or the sale of services
 3 subject to sales taxation has been found to be bad in accordance with Section 166 of
 4 the United States Internal Revenue Code and has actually been charged off for
 5 federal income tax purposes, the dealer shall be entitled to reimbursement of the
 6 amount of tax previously paid by the dealer on such amounts.

7 * * *

8 §315.3. Sales tax refund; sales and rentals covered by Medicare

9 A. Any person who has paid sales and use taxes, levied by the state and any
 10 other taxing authorities in the state, upon the sale, lease, or rental of tangible personal
 11 property or digital products when such sale, lease, or rental is paid by or under the
 12 provisions of Medicare, shall be entitled to reimbursement of the amount of tax paid
 13 on such property. Upon receipt of a signed statement of such person as to the
 14 amount of taxes paid under the provisions of this Chapter on such tangible personal
 15 property or digital products and upon proof of payment by or under the provisions
 16 of Medicare, the secretary and the appropriate taxing authorities shall make a refund
 17 to such person in the amount to which he is entitled.

18 * * *

19 §315.5. Sales tax refund; nonprofits employing or training persons with workplace
 20 disabilities or disadvantages

21 A. A qualified charitable institution which submits an application to the
 22 secretary of the Department of Revenue shall receive an exemption in the form of a
 23 restricted refund of the sales and use tax of the state which the institution has
 24 collected on the sale of donated tangible personal property, digital products, or items
 25 made from such donated property; provided that, the refund is used exclusively in
 26 this state for land acquisition, capital construction, or equipment, or debt service
 27 related thereto, and/or job training, job placement, employment, or other related
 28 community services and support program costs.

1 B. As used in this Section, "qualified charitable institution" means an
2 organization which meets the following criteria:

3 * * *

4 (3) It routinely sells donated tangible personal property, digital products, or
5 items made from such donated property.

6 * * *

7 C.(1)

8 * * *

9 (c) Once approved, the charitable institution shall file sales tax returns as
10 required reporting the total state sales tax it has collected and take a deduction
11 therefrom for the amount of state sales tax collected on qualifying exempt sales of
12 donated tangible personal property, digital products, or items made from donated
13 tangible personal property.

14 * * *

15 §321. Imposition of tax

16 A. In addition to the tax levied by R.S. 47:302(A) and 331(A) and collected
17 under the provisions of Chapter 2 of Subtitle II of this Title, there is hereby levied
18 an additional tax upon the sale at retail, the use, the consumption, the distribution,
19 and the storage for use or consumption in this state of each item or article of tangible
20 personal property or digital product, as defined in Chapter 2 of Subtitle II of this
21 Title. The levy of said tax shall be as follows:

22 (1) At the rate of one percent of the sales price of each item or article of
23 tangible personal property or digital product when sold at retail in this state except
24 for prepaid calling service and prepaid wireless calling service, the tax to be
25 computed on gross sales for the purpose of remitting the amount of tax to the state,
26 and to include each and every retail sale.

27 (2) At the rate of one percent of the cost price of each item or article of
28 tangible personal property or digital product except for prepaid calling service and
29 prepaid wireless calling service when the same is not sold but is used, consumed,

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

3 B. In addition to the tax levied by R.S. 47:302(B) and 331(B) and collected
4 under the provisions of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised
5 Statutes of 1950, there is hereby levied a tax upon the lease or rental within this state
6 of each item or article of tangible personal property or digital product, as defined by
7 said Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950;
8 the levy of said tax to be as follows:

9 (1) At the rate of one percent of the gross proceeds derived from the lease
10 or rental of tangible personal property or digital product, as defined in Chapter 2 of
11 Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, where the lease or
12 rental of such property or product is in an established business, or part of an
13 established business, or the same is incidental or germane to the business.

14 (2) At the rate of one percent of the monthly lease or rental price paid by a
15 lessee or rentee, or contracted or agreed to be paid by a lessee or rentee to the owner
16 of the tangible personal property or digital product.

17 * * *

18 P. Notwithstanding any other provision of law to the contrary, including but
19 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
20 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
21 levied pursuant to the provisions of this Section, except for the retail sale, use,
22 consumption, distribution, or storage for use or consumption of the following:

23 * * *

24 (9) Installation charges on tangible personal property and digital products as
25 provided in R.S. 47:301(3)(a).

26 * * *

27 (13) Sales, leases, or rentals of tangible personal property and digital
28 products paid by or under the provisions of Medicare as provided in R.S. 47:315.3.

29 * * *

1 (17) Tangible personal property and digital products that are sold or donated
2 to a food bank as provided in R.S. 47:301(10)(j) and (18)(a)(i).

3 * * *

4 (23) Sales, purchases, and leases of tangible personal property and digital
5 products by free hospitals as provided in R.S. 47:301(7)(e), (10)(p), and (18)(c).

6 * * *

7 (25) Tangible personal property and digital products for resale as provided
8 in R.S. 47:301(10)(a)(i).

9 * * *

10 (27) Isolated or occasional sales of tangible personal property and digital
11 products by a person not engaged in such business as provided in R.S. 47:301(1) and
12 (10)(c)(ii)(bb).

13 * * *

14 (30) An article traded in on the purchase of tangible personal property or a
15 digital product as provided in R.S. 47:301(13)(a).

16 * * *

17 (33) Credit for sales and use taxes paid to another state on tangible personal
18 property and digital products imported in Louisiana as provided in R.S.
19 47:303(A)(3)(a).

20 * * *

21 (56) Transactions in interstate commerce and tangible personal property and
22 digital products imported into this state, or produced or manufactured in this state,
23 for export as provided in R.S. 47:305(E).

24 * * *

25 (66) Sales, leases, and rentals of tangible personal property and digital
26 products to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. as
27 provided in R.S. 47:301(7)(g) and (10)(r).

28 * * *

1 (81) Sales of admissions, parking fees, and sales of tangible personal
2 property and digital products at events sponsored by domestic, civic, educational,
3 historical, charitable, fraternal, or religious nonprofit organizations as provided in
4 R.S. 47:305.14(A)(1).

5 * * *

6 (109) Sales of tangible personal property, digital products, and services at
7 certain public facilities as provided in R.S. 39:467 and 468.

8 * * *

9 Q. The provisions of Subsection P of this Section shall supersede and control
10 to the extent of conflict with any other provision of law beginning July 1, 2018,
11 through June 30, 2025. Digital products will be taxed in the same manner as any
12 complementary tangible personal property or service included in Subsection P of this
13 Section.

14 §321.1. Imposition of tax

15 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and
16 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an
17 additional tax upon the sale at retail, the use, the consumption, the distribution, and
18 the storage for use or consumption in this state of each item or article of tangible
19 personal property or digital product as defined in Chapter 2 of this Subtitle. The levy
20 of said tax shall be as follows:

21 (1) At the rate of forty-five hundredths of one percent of the sales price of
22 each item or article of tangible personal property or digital product when sold at
23 retail in this state, the tax to be computed on gross sales for the purpose of remitting
24 the amount of tax to the state, and to include each and every retail sale.

25 (2) At the rate of forty-five hundredths of one percent of the cost price of
26 each item or article of tangible personal property or digital product when the same
27 is not sold but is used, consumed, distributed, or stored for use or consumption in this
28 state, provided that there shall be no duplication of the tax.

1 (25) Tangible personal property and digital products for resale as provided
2 in R.S. 47:301(10)(a)(i).

3 * * *

4 (27) Isolated or occasional sales of tangible personal property and digital
5 products by a person not engaged in such business as provided in R.S. 47:301(1) and
6 (10)(c)(ii)(bb).

7 * * *

8 (30) An article traded in on the purchase of tangible personal property or a
9 digital product as provided in R.S. 47:301(13)(a).

10 * * *

11 (33) Credit for sales and use taxes paid to another state on tangible personal
12 property and digital products imported in Louisiana as provided in R.S.
13 47:303(A)(3)(a).

14 * * *

15 (56) Transactions in interstate commerce and tangible personal property and
16 digital products imported into this state, or produced or manufactured in this state,
17 for export as provided in R.S. 47:305(E).

18 * * *

19 (66) Sales, leases, and rentals of tangible personal property and digital
20 products to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. as
21 provided in R.S. 47:301(7)(g) and (10)(r).

22 * * *

23 (81) Sales of admissions, parking fees, and sales of tangible personal
24 property and digital products at events sponsored by domestic, civic, educational,
25 historical, charitable, fraternal, or religious nonprofit organizations as provided in
26 R.S. 47:305.14(A)(1).

27 * * *

1 (109) Sales of tangible personal property, digital products, and services at
 2 certain public facilities as provided in R.S. 39:467 and 468.

3 * * *

4 J. The provisions of Subsection I of this Section shall supersede and control
 5 to the extent of conflict with any other provision of law beginning July 1, 2018,
 6 through June 30, 2025. Digital products will be taxed in the same manner as any
 7 complementary tangible personal property or service included in Subsection I of this
 8 Section.

9 * * *

10 §331. Imposition of tax

11 A. In addition to the tax levied by R.S. 47:302(A) and collected under the
 12 provisions of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes
 13 of 1950, there is hereby levied an additional tax upon the sale at retail, the use, the
 14 consumption, the distribution, and the storage for use or consumption in this state of
 15 each item or article of tangible personal property or digital product, as defined in
 16 Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950; the
 17 levy of said tax to be as follows:

18 (1) At the rate of ninety-seven one hundredths of one percentum of the sales
 19 price of each item or article of tangible personal property or digital product when
 20 sold at retail in this state, the tax to be computed on gross sales for the purpose of
 21 remitting the amount of tax to the state, and to include each and every retail sale.

22 (2) At the rate of ninety-seven one hundredths of one percentum of the cost
 23 price of each item or article of tangible personal property or digital product when the
 24 same is not sold but is used, consumed, distributed, or stored for use or consumption
 25 in this state, provided that there shall be no duplication of the tax.

26 B. In addition to the tax levied by R.S. 47:302(B) and collected under the
 27 provisions of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes
 28 of 1950, there is hereby levied a tax upon the lease or rental within this state of each
 29 item or article of tangible personal property or digital product, as defined by said

1 Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950; the
2 levy of said tax to be as follows:

3 (1) At the rate of ninety-seven one hundredths of one percentum of the gross
4 proceeds derived from the lease or rental of tangible personal property or digital
5 product, as defined in Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised
6 Statutes of 1950, where the lease or rental of such property or product is in an
7 established business, or part of an established business, or the same is incidental or
8 germane to the business.

9 (2) At the rate of ninety-seven one hundredths of one percentum of the
10 monthly lease or rental price paid by a lessee or rentee, or contracted or agreed to be
11 paid by a lessee or rentee to the owner of the tangible personal property or digital
12 product.

13 * * *

14 V. Notwithstanding any other provision of law to the contrary, including but
15 not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
16 through June 30, 2025, there shall be no exemptions and no exclusions to the tax
17 levied pursuant to the provisions of this Section, except for the retail sale, use,
18 consumption, distribution, or storage for use or consumption of the following:

19 * * *

20 (13) Sales, leases, or rentals of tangible personal property and digital
21 products paid by or under the provisions of Medicare as provided in R.S. 47:315.3.

22 * * *

23 (17) Tangible personal property and digital products that are sold or donated
24 to a food bank as provided in R.S. 47:301(10)(j) and (18)(a)(i).

25 * * *

26 (23) Sales, purchases, and leases of tangible personal property and digital
27 products by free hospitals as provided in R.S. 47:301(7)(e), (10)(p), and (18)(c).

28 * * *

1 (25) Tangible personal property and digital products for resale as provided
2 in R.S. 47:301(10)(a)(i).

3 * * *

4 (27) Isolated or occasional sales of tangible personal property and digital
5 products by a person not engaged in such business as provided in R.S. 47:301(1) and
6 (10)(c)(ii)(bb).

7 * * *

8 (30) An article traded in on the purchase of tangible personal property or a
9 digital product as provided in R.S. 47:301(13)(a).

10 * * *

11 (33) Credit for sales and use taxes paid to another state on tangible personal
12 property and digital products imported in Louisiana as provided in R.S.
13 47:303(A)(3)(a).

14 * * *

15 (56) Transactions in interstate commerce and tangible personal property and
16 digital products imported into this state, or produced or manufactured in this state,
17 for export as provided in R.S. 47:305(E).

18 * * *

19 (66) Sales, leases, and rentals of tangible personal property and digital
20 products to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc. as
21 provided in R.S. 47:301(7)(g) and (10)(r).

22 * * *

23 (81) Sales of admissions, parking fees, and sales of tangible personal
24 property and digital products at events sponsored by domestic, civic, educational,
25 historical, charitable, fraternal, or religious nonprofit organizations as provided in
26 R.S. 47:305.14(A)(1).

27 * * *

1 (109) Sales of tangible personal property, digital products, and services at
2 certain public facilities as provided in R.S. 39:467 and 468.

3 * * *

4 W. The provisions of Subsection V of this Section shall supersede and
5 control to the extent of conflict with any other provision of law beginning July 1,
6 2018, through June 30, 2025. Digital products will be taxed in the same manner as
7 any complementary tangible personal property or service included in Subsection V
8 of this Section.

9 * * *

10 §340.1. Marketplace facilitators; collection and remittance of state and local sales
11 and use tax

12 A. Definitions. For purposes of this Section, the following words and
13 phrases shall have the following meanings, unless the context clearly indicates
14 otherwise:

15 * * *

16 (3) "Marketplace" means any physical or electronic platform or forum,
17 owned, operated, or otherwise controlled by the marketplace facilitator through
18 which a marketplace seller may sell or offer for sale tangible personal property,
19 digital products, or sales of services for delivery into Louisiana.

20 * * *

21 (5) "Marketplace seller" means a person who sells or offers for sale tangible
22 personal property, digital products, or sales of services for delivery into Louisiana
23 through a marketplace that is owned, operated, or controlled by a marketplace
24 facilitator.

25 * * *

26 Section 2. R.S. 51:1286(B) is hereby amended and reenacted to read as follows:

27 §1286. Sales and use tax

28 * * *

1 B. The tax so authorized shall be imposed by ordinance adopted by the
2 district without the need of an election and shall be levied upon the sale at retail, the
3 use, the lease or rental, the distribution, the consumption, and the storage for use or
4 consumption of tangible personal property, digital products, and on sales of services
5 in the state of Louisiana, as now or hereafter defined in and as provided by Chapter
6 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, subject to the
7 exemptions and suspensions of exemptions to the same extent that such exemptions
8 and suspensions of exemptions now or hereafter apply to the tax levied in R.S.
9 47:331.

* * *

11 Section 3. R.S. 47:301(16)(h) and (23) are hereby repealed in their entirety.

12 Section 4. This Act shall become effective on January 1, 2024.

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 642 Engrossed	2023 Regular Session	Jenkins
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Abstract: Provides for the levy of sales and use taxes on certain digital products, provides for administration of sales and use taxes, and provides for exclusions and exemptions from sales and use taxes.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property and on sales of services 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 adds digital products to the tax levies. Defines "digital product" as a product that is transferred electronically or delivered by means other than tangible storage media through the use of technology having electrical, digital, magnetic, wireless, optical or electromagnetic, or similar capabilities.

Proposed law provides that "digital product" includes, but is not limited to, all of the following:

- (1) Sounds, images, data, facts, or information, or any combination of these.
- (2) Computer software as defined in present law and proposed law.

- (3) Charges made to customers for the right to access and use prewritten computer software where possession of the software is maintained by the seller or a third party regardless of whether the charge for the service is on a per use, per user, per license, subscription or some other basis.
- (4) Digital codes (as defined in proposed law).

Proposed law provides that "digital product" does not include any of the following:

- (1) Any intangible such as a patent, stock, bond, goodwill, trademark, franchise, or copyright.
- (2) Telecommunications services and ancillary services as those terms are defined in present law and proposed law.
- (3) Internet access service charges.
- (4) The representation of a professional service, as described in present law, in an electronic form, such as an electronic copy of an engineering report prepared by an engineer that primarily involves the application of human effort, and the human effort originated after the customer requested the service.
- (5) Newspapers transferred electronically if the exclusion in present law is in effect.

Present law defines "sales of services" for purposes of sales and use taxes. Proposed law retains present law and additionally provides that "sales of services" includes the furnishing of a digital automated service. Defines "digital automated service" as any service transferred electronically that uses one or more software applications either prewritten or custom, as well as components that are similar to stand-alone digital products.

Proposed law provides that "digital automated service" does not include any of the following:

- (1) Any service that primarily involves the application of human effort, and the human effort originated after the customer requested the service.
- (2) The loaning or transferring of money or the purchase, sale, or transfer of financial instruments. "Financial instruments" includes cash, accounts receivable and payable, loans and notes receivable and payable, debt securities, equity securities, and derivative contracts such as forward contracts, swap contracts, and options.
- (3) Dispensing cash or other physical items from a machine.
- (4) Payment processing services.
- (5) Pari-mutuel wagering or fantasy sports betting.
- (6) Telecommunications services and ancillary services as those terms are defined in present law and proposed law.
- (7) Internet access service charges.
- (8) Online educational programs provided by any of the following:
 - (a) A public or private elementary or secondary school.

- (b) An institution of higher education as defined in present federal law (20 U.S.C. 1001 and 1002), as existing on July 1, 2009, if the online educational program is encompassed within the institution's accreditation.
- (9) Travel agent services, including online travel services, and automated systems used by travel agents to book reservations.
- (10) Live presentations, such as lectures, seminars, workshops, or courses, where participants are connected to other participants via the internet or telecommunications equipment, which allows audience members and the presenter or instructor to give, receive, and discuss information with each other in real time.
- (11) A service that allows the person receiving the service to make online sales of products or services, digital or otherwise, using the service provider's website.
- (12) Advertising services. Defines "advertising services" to mean all services directly related to the creation, preparation, production, or the dissemination of advertisements. Provides that "advertising services" includes layout, art direction, graphic design, mechanical preparation, production supervision, placement, and rendering advice to a client concerning the best methods of advertising that client's products or services. "Advertising services" also includes online referrals, search engine marketing and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign. "Advertising services" does not include web hosting services and domain name registration.

Present law provides additional definitions applicable to sales and use taxes. Proposed law amends various definitions including "cost price", "dealer", "gross sales", "lease or rental", "purchaser", "retail sale", and "sales price" to include digital products.

Proposed law provides that for purposes of taxes imposed under present law (Chapter 2, 2-A or 2-C of Title 47), whenever the words "property" or "personal property" are used, those terms shall be construed to include any digital product unless:

- (1) It is clear from the context that the term "personal property" is intended to refer only to tangible personal property.
- (2) It is clear from the context that the term "property" is intended to refer only to tangible personal property, real property, or both.
- (3) To construe the term "property" or "personal property" as including any digital product would yield unlikely, absurd, or strained consequences.

Proposed law provides that purchasers of digital products shall have amnesty for failing to collect or pay state sales and use taxes accrued before Jan. 1, 2024 on the sale or use of digital products. However, amnesty does not apply in cases where state sales taxes were collected from buyers but these taxes were not remitted to the department.

Proposed law provides that it shall not be construed as authorizing the refund of state sales and use taxes properly paid on the sale or use of digital products before Jan. 1, 2024.

Proposed law provides for applicability of proposed law relative to multiple points of use and bundled transactions and for sourcing for use tax purposes.

Proposed law authorizes the secretary of the Dept. of Revenue to promulgate rules and regulations in accordance with present law (Administrative Procedure Act) to implement the provisions of proposed law, including rules addressing the taxation of any and all digital

products and services. Provides that any rule promulgated by the department shall be construed in favor of the secretary.

Present law provides for various exclusions and exemptions for sales and use taxes. Proposed law amends present law to include digital products in certain exclusions and exemptions, including those relative to sales, leases, or rentals of tangible personal property or digital products paid by or under the provisions of Medicare; tangible personal property or digital products that are sold or donated to a food bank; tangible personal property or digital products for resale as provided in present law (R.S. 47:301(10)(a)(i)); isolated or occasional sales of tangible personal property or digital products by a person not engaged in such business; an article traded in on the purchase of tangible personal property or digital product; credit for sales and use taxes paid to another state on tangible personal property or digital products imported in La.; transactions in interstate commerce and tangible personal property or digital products imported into this state, or produced or manufactured in this state, for export; sales, leases, and rentals of tangible personal property or digital products to Boys State of Louisiana, Inc. and Girls State of Louisiana, Inc.; sales of admissions, parking fees, and sales of tangible personal property or digital products at events sponsored by domestic, civic, educational, historical, charitable, fraternal, or religious nonprofit organizations; sales of tangible personal property or digital products and services at certain public facilities. Requires that digital products to be taxed in the same manner as any complementary tangible personal property or service included in present law.

Effective Jan. 1, 2024.

(Amends R.S. 47:301(3)(a), (b), and (i)(ii)(aa)(I)(aaa), (4)(a) through (e) and (h), (5), (7)(a), (g), and (i), (8)(b), (9), (10)(a)(i), (ii), and (iii), (c)(ii)(bb), (j), (q)(i), (r), (s), (u), (ff), and (hh), (12), (13)(a), (14)(h), (i), (j), and (k), (15), (18)(a), (d)(i), (e), and (f), (19), and (29)(x)(ix), 302(A), (B), (D), (K)(1) and (2), (U), (V)(1)(intro. para.), (a), and (b)(intro. para.), (BB)(13), (17), (25), (27), (30), (33), (56), (66), (81), and (109), and (CC), 303(A)(2) and (3)(a) and (G), 303.1(A) and (B)(1)(c) and (2)(b), 304(B), 305(E), 305.10(A), (C)(intro. para.), (1), (2)(a), (b), and (c), and (3), (D), and (E), 305.14(A)(1)(a) and (5), 305.38, 305.53(A), 305.54(B) and (C)(1), 306.5(A)(1) and (2)(c), 307(A), (B), and (C), 309(A)(1), 309.1(B)(1) and (2)(b) and (D), 310(A), 312, 314, 315(A) and (B)(1), 315.3(A), 315.5(A), (B)(3), and (C)(1)(c), 321(A), (B), (P)(9), (13), (17), (23), (25), (27), (30), (33), (56), (66), (81), and (109), and (Q), 321.1(A), (B), (I)(13), (17), (23), (25), (27), (30), (33), (56), (66), (81), and (109), and (J), 331(A), (B), (V)(13), (17), (23), (25), (27), (30), (33), (56), (66), (81), (109), and (114), and (W), and 340.1(A)(3) and (5) and R.S. 51:1286(B); Adds R.S. 47:301(10)(c)(ii)(cc), (jj), and (kk), (14)(l), (32), (33), and (34) and 301.3; Repeals R.S. 47:301(16)(h) and (23))

Summary of Amendments Adopted by House

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

1. Remove inclusion of digital products to the sales tax exemption for retail sales of tangible personal property to a vending machine operator for resale through coin-operated vending machines.
2. Change references to "end users" *rather than* "taxpayers, as a consumer", with respect to the sales of digital products or digital automated services for purposes of the state sales and use tax of such products.
3. Remove subscription sales of magazines or periodicals transferred electronically to the buyer from the list of products excluded from the definition of digital products.

4. Remove references to digital products to the sales tax holiday as provided in present law (R.S. 47:305.74).
5. Remove provisions related to determination of substantial nexus for purposes of state sales and use taxes.
6. Extend the credit for sales and use taxes paid to another state on purchases of tangible personal products to digital products.
7. Change the effective date from July 1, 2023, to Jan. 1, 2024.
8. Make technical changes.