HLS 25RS-881 ORIGINAL

2025 Regular Session

HOUSE BILL NO. 334

1

BY REPRESENTATIVE TARVER

TAX/SALES & USE: Repeals one percent of the state sales and use tax levy

AN ACT

| 2  | To amend and reenact R.S. 39:467(H) and 468(G) and R.S. 47:305(C)(3), 305.39,          |
|----|--|
| 3  | 306(A)(3)(a), and 318(A) and to repeal R.S. 47:321.1, relative to state sales and use  |
| 4  | tax; to repeal certain levies; to make technical changes in conformity with that       |
| 5  | repeal; to provide relative to the powers and duties of the Louisiana State Law        |
| 6  | Institute; to provide an effective date; and to provide for related matters.           |
| 7  | Be it enacted by the Legislature of Louisiana:   |
| 8  | Section 1. R.S. 39:467(H) and 468(G) are hereby amended and reenacted to read as       |
| 9  | follows:   |
| 10 | §467. Sales of services and tangible personal property at a publicly owned domed       |
| 11 | stadium facility or baseball facility; sales and use tax; exemptions                   |
| 12 | * * *  |
| 13 | H. Notwithstanding any provision of law to the contrary, including any                 |
| 14 | contrary provisions of R.S. 47:302(X) and (Y) as enacted by Act No. 25 of the 2016     |
| 15 | First Extraordinary Session of the Legislature, R.S. 47:321(L) and (M), R.S.           |
| 16 | 47:321.1(F), or R.S. 47:331(S) and (T), and except as otherwise specifically provided  |
| 17 | for in Subparagraphs (B)(1)(a), (d), and (f) and Paragraph (C)(6) of this Section, the |
| 18 | exemptions from state sales and use taxes authorized in this Section shall be          |
| 19 | applicable and effective on and after April 1, 2016.                                   |

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

| 1  | §468. Sales of services and tangible personal property at certain public facilities;     |
|----|--|
| 2  | sales and use tax; exemptions  |
| 3  | * * *  |
| 4  | G. Notwithstanding any provision of law to the contrary, including any                   |
| 5  | contrary provisions of R.S. 47:302(X) and (Y) as enacted by Act No. 25 of the 2016       |
| 6  | First Extraordinary Session of the Legislature, R.S. 47:321(L) and (M), R.S.             |
| 7  | 47:321.1(F), or R.S. 47:331(S) and (T), and except as otherwise specifically provided    |
| 8  | for in Subparagraph $(C)(2)(f)$ of this Section, the exemptions from state sales and use |
| 9  | taxes authorized in this Section shall be applicable and effective on and after April    |
| 10 | 1, 2016.   |
| 11 | * * *  |
| 12 | Section 2. R.S. 47:305(C)(3), 305.39, 306(A)(3)(a), and 318(A) are hereby amended        |
| 13 | and reenacted to read as follows:  |
| 14 | §305. Exemptions from the tax  |
| 15 | * * *  |
| 16 | C.   |
| 17 | * * *  |
| 18 | (3)(a) Except as provided for in Subparagraph (b) of this Paragraph, the sales           |
| 19 | and use tax imposed by R.S. 47:321, 321.1, 47:321 and 331, or by a political             |
| 20 | subdivision shall not apply to the sale or use, for non-residential purposes, of steam,  |
| 21 | water, electric power or energy, natural gas, any materials or energy sources used to    |
| 22 | fuel the generation of electric power for resale or used by an industrial                |
| 23 | manufacturing plant for self-consumption or cogeneration, or energy sources used         |
| 24 | for boiler fuel except refinery gas.   |
| 25 | (b) The exemption from the sales and use tax imposed by R.S. 47:321, 321.1,              |
| 26 | 47:321 and 331 provided for in Subparagraph (a) of this Paragraph shall not apply        |
| 27 | to sales and use, for non-residential purposes, of mineral water or carbonated water     |
| 28 | or any water put in bottles, jugs, or containers.  |
| 29 | * * *  |

| 1  | §305.39. Exclusions and exemptions; butane, propane, or other liquefied petroleum    |
|----|--|
| 2  | gases purchased for private residential consumption                                  |
| 3  | Solely for purposes of the sales and use taxes levied by the state, such taxes       |
| 4  | imposed by R.S. 47:302(A), 321(A), 321.1(A), and 331(A) shall not apply to direct    |
| 5  | consumer purchases of butane, propane, or other liquefied petroleum gases for the    |
| 6  | private residential purposes of cooking and heating.                                 |
| 7  | * * *  |
| 8  | §306. Returns and payment of tax; penalty for absorption                             |
| 9  | A. General provisions.   |
| 10 | * * *  |
| 11 | (3)(a) For the purpose of compensating the dealer in accounting for and              |
| 12 | remitting the tax levied by this Chapter, each dealer shall be allowed one and five  |
| 13 | hundredths percent of the amount of tax due and accounted for and remitted to the    |
| 14 | secretary in the form of a deduction in submitting his report and paying the amount  |
| 15 | due by him, provided the amount of any credit claimed for taxes already paid to a    |
| 16 | wholesaler shall not be deducted in computing the commission allowed the dealer      |
| 17 | hereunder. The aggregate state compensation for a dealer who operates one or more    |
| 18 | business locations within Louisiana shall not exceed seven hundred fifty dollars per |
| 19 | calendar month. This compensation shall be allowed only if the payment of the        |
| 20 | dealer is timely paid and the return is timely filed. Notwithstanding any other      |
| 21 | provision of law, the calculation of this deduction shall be based only on the taxes |
| 22 | levied pursuant to R.S. 47:302, 321, and 331, and R.S. 51:1286. There shall be no    |
| 23 | compensation for the taxes accounted for and remitted pursuant to R.S. 47:321.1 or   |
| 24 | any other sales tax levied by the state.   |
| 25 | * * *  |
| 26 | §318. Disposition of collections   |
| 27 | A. All monies collected under this Chapter shall be immediately paid into            |
| 28 | the state treasury, upon receipt, and first credited to the Bond Security and        |
| 29 | Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of      |

1 Louisiana; then an amount equal to four-tenths of one percent of all monies collected 2 under this Chapter, and Chapters 2-A and 2-B of this Subtitle shall be used as 3 provided in this Section. The dedication of revenues provided for in this Subsection 4 shall in no way be interpreted to include any monies collected pursuant to the taxes 5 imposed under R.S. 47:321.1. 6 7 Section 3. R.S. 47:321.1 is hereby repealed in its entirety. 8 Section 4. The Louisiana State Law Institute is hereby authorized and directed to 9 correct any references to R.S. 47:321.1 contained in R.S. 47:321 and 331 in conformity with 10 the provisions of this Act. 11 Section 5. This Act shall become effective on July 1, 2025; if vetoed by the governor 12 and subsequently approved by the legislature, this Act shall become effective on July 1,

## **DIGEST**

2025, or on the day following such approval by the legislature, whichever is later.

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 334 Original

13

2025 Regular Session

Tarver

**Abstract:** Decreases the state sales and use tax levy <u>from</u> 5% <u>to</u> 4%.

<u>Present law</u> imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies in the following amounts:

- (1) R.S. 47:302 2%
- (2) R.S. 47:321 1%
- (3) R.S. 47:321.1 1%
- (4) R.S. 47:331 1%

<u>Proposed law</u> retains <u>present law</u> but reduces the total 5% levy of the state sales and use tax <u>from</u> 5% to 4% by repealing the 1% levy contained in R.S. 47:321.1.

## Conforming changes

<u>Present law</u> (R.S. 39:467) exempts sales occurring for or at an event at a state-owned domed facility or baseball facility from sales and use taxes imposed by the state and political subdivisions. Further provides that, notwithstanding any contrary provision of law, these exemptions apply on and after April 1, 2016. <u>Proposed law</u> removes a cross reference to the levy repealed pursuant to <u>proposed law</u> and otherwise retains <u>present law</u>.

## Page 4 of 5

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<u>Present law</u> (R.S. 39:468) exempts sales occurring at an event conducted at a facility owned and operated by or for any unit of state government or a political subdivision or on the publicly owned property on which the facility is located from sales and use and amusement taxes levied by the state and political subdivisions. <u>Proposed law</u> removes a cross reference to the levy repealed pursuant to <u>proposed law</u> and otherwise retains <u>present law</u>.

<u>Present law</u> (R.S. 47:305) exempts any materials or energy sources used to fuel the generation of electric power for resale or by an industrial manufacturing plant for self-consumption or cogeneration, or energy sources used for boiler fuel except refinery gas from state and local sales and use tax. Further exempts sales, for nonresidential purposes, of mineral water or carbonated water or any water put in bottles, jugs, or containers from state sales tax. <u>Proposed law</u> removes cross references to the levy repealed pursuant to proposed law and otherwise retains present law.

<u>Present law</u> (R.S. 47:305.39) exempts direct consumer purchases of butane, propane, or other liquefied petroleum gases for the private residential purposes of cooking and heating from state sales and use tax. <u>Proposed law</u> removes a cross reference to the levy repealed pursuant to proposed law and otherwise retains present law.

<u>Present law</u> (R.S. 47:306) authorizes a deduction for each dealer to compensate it for accounting for and remitting the taxes levied pursuant to <u>present law</u>. Provides restrictions and qualifications for the deduction. <u>Proposed law</u> retains <u>present law</u>. <u>Present law</u> provides that no compensation accounting and remittal of taxes shall be taken for sales taxes levied by the state pursuant to R.S. 47:321.1. Proposed law repeals this provision.

<u>Present law</u> (R.S. 47:318) dedicates a portion of taxes collected pursuant to <u>present law</u> to the Marketing Fund in the state treasury for use by La. Economic Development for certain economic development activities. Exempts monies collected pursuant to R.S. 47:321.1 from such dedication. Proposed law repeals this exemption and otherwise retains present law.

<u>Proposed law</u> directs the La. State Law Institute to correct any references to repealed law contained in <u>present law</u> (R.S. 47:321 and 331) in conformity with the provisions of proposed law.

Effective July 1, 2025.

(Amends R.S. 39:467(H) and 468(G) and R.S. 47:305(C)(3), 305.39, 306(A)(3)(a), and 318(A); Repeals R.S. 47:321.1)