

2025 Regular Session

HOUSE BILL NO. 578

BY REPRESENTATIVE EMERSON

TAX/SALES & USE: Provides with respect to state and local sales and use taxes and exemptions to those taxes

1 AN ACT

2 To amend R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i), and

3 (27)(x)(ix), 301.1(F), 301.3(7)(a) and (10)(a), 305.2(A)(5), 305.6(1) and (5),

4 305.7(A)(2), 305.12(D), 305.33, 305.36(A), (B), and (C)(1), 305.75(A), 321(A),

5 321.1(A), (B), and (C)(2), and 331(A) and (B) and R.S. 51:1286(A), to enact R.S.

6 47:301.3(11), 305(E)(4) and (L), 305.14, 305.21, 305.22, and 305.64, and to repeal

7 R.S. 47:301.6(B) and (C) and 337.11.4, relative to sales and use tax; to provide with

8 respect to exemptions from sales and use taxes levied by taxing authorities; to

9 exempt certain services from sales and use tax; to provide for the exemption for

10 schools and educational materials; to provide for the exemption for certain

11 intergovernmental transactions; to provide for exemptions for certain nonprofit

12 organizations; to provide for the exemption for software and digital products for

13 certain healthcare facilities; to provide for an exemption for certain sickle cell

14 disease organizations; to provide for the exemption for transactions involving certain

15 motor vehicles; to provide for an exemption for qualifying radiation therapy

16 treatment centers; to provide with respect to the levies of certain taxes; to provide for

17 taxes levied on certain telecommunication and ancillary services; to provide for the

18 amount of sales and use taxes dedicated to tourism; to provide for definitions; to

19 provide for limitations and requirements; to authorize the refund of certain sales and

1 use taxes under certain circumstances; to provide for applicability, to provide for
2 effectiveness; and to provide for related matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i), and
5 (27)(x)(ix), 301.1(F), 301.3(7)(a) and (10)(a), 305.2(A)(5), 305.6(1) and (5), 305.7(A)(2),
6 305.12(D), 305.33, 305.36(A), (B), and (C)(1), 305.75(A), 321(A), 321.1(A), (B), and
7 (C)(2), and 331(A) and (B) are hereby amended and reenacted and R.S. 47:301.3(11),
8 305(E)(4) and (L), 305.14, 305.21, 305.22, and 305.64 are hereby enacted to read as follows:

9 §301. Definitions

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

13 * * *

14 (3)(a) "Cost price" means the actual cost of the articles of tangible personal
15 property or digital products without any deductions therefrom on account of the cost
16 of materials used, labor, or service cost, including service costs for installation, and
17 transportation charges, or any other expenses whatsoever, or the reasonable market
18 value of the tangible personal property or digital product at the time it becomes
19 susceptible to the use tax, whichever is less. Cost price shall not include the amount
20 charged for labor or services rendered in installing, applying, remodeling, or
21 repairing property sold if such cost is separately billed to the customer at the time of
22 installation.

23 * * *

24 (4) "Dealer" includes every person who manufactures or produces tangible
25 personal property or digital products for sale at retail, for use, or consumption, or
26 distribution, or for storage to be used or consumed in a taxing jurisdiction. "Dealer"
27 is further defined to mean:

28 * * *

1 (k)(i) Any person who sells for delivery into Louisiana tangible personal
 2 property, products transferred electronically, digital products, or services, and who
 3 does not have a physical presence in Louisiana, if during the previous or current
 4 calendar year the person's gross revenue for sales delivered into Louisiana has
 5 exceeded one hundred thousand dollars from sales of tangible personal property,
 6 products transferred electronically, digital products, or services.

* * *

8 (10)(a) ~~Solely for the~~ For purposes of the imposition of the state sales and use
 9 ~~tax~~ taxes levied by any taxing authority, "retail sale" or "sale at retail" means a sale
 10 to a consumer, ~~end user~~, or to any other person for any purpose other than for resale
 11 as tangible personal property or a digital product, or ~~for the lease of automobiles in~~
 12 ~~an arm's length transaction, and shall mean and include all transactions that the~~
 13 ~~secretary, upon investigation, finds to be in lieu of sales; provided that sales for~~
 14 ~~resale or for lease of automobiles in an arm's length transaction must be made in~~
 15 ~~strict compliance with the rules and regulations. Any dealer making a sale for resale~~
 16 ~~or for the lease of automobiles, which is not in strict compliance with the rules and~~
 17 ~~regulations, shall himself be liable for and pay the tax.~~ resale of a service provided
 18 for in R.S. 47:301.3 provided the retail sale of the service is subject to sales tax in
 19 this state and shall mean and include all transactions that the secretary, upon
 20 investigation, finds to be in lieu of sales; provided that sales for resale shall be made
 21 in strict compliance with rules and regulations. Any dealer making a sale for resale,
 22 which is not in strict compliance with the rules and regulations shall be liable for and
 23 pay the tax. A local collector shall accept a resale certificate issued by the
 24 Department of Revenue, provided the taxpayer includes the parish of its principal
 25 place of business and local sales tax account number on the state certificate.
 26 However, in the case of an intra-parish transaction from dealer to dealer, the
 27 collector may require that the local exemption certificate be used in lieu of the state
 28 certificate. The department shall accommodate the inclusion of this information on
 29 its resale certificate for these purposes.

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1 (b) The term "sale at retail" does not include consuming any digital product
2 in producing for sale a new product or taxable service, where the digital product
3 becomes an ingredient or component of the new product or taxable service. A digital
4 code becomes an ingredient or component of a new product or taxable service if the
5 digital product, through the use of the digital code, becomes an ingredient or
6 component of the new product or taxable service.

7 (c) With respect to digital products, the term "sale at retail" does not include
8 making any digital product available free of charge for the use or enjoyment of
9 others. For purposes of this Subparagraph, "free of charge" means that the recipient
10 of the digital product is not required to provide anything of significant value in
11 exchange for the product. A transfer is not free of charge if the digital product is
12 bundled or combined with other products or services subject to sales or use tax
13 regardless of whether such items are separately stated and invoiced.

14 * * *

15 (13)(a) "Sales price" means the total amount for which tangible personal
16 property ~~is~~ or digital products are sold, less the market value of any article traded in
17 including any services, except services for financing which shall not exceed the legal
18 interest rate and a service charge not to exceed six percent of the amount financed,
19 and losses, that are a part of the sale valued in money, whether paid in money or
20 otherwise, and includes the cost of materials used, labor or service costs, including
21 service costs for installation, and transportation charges; provided that cash discounts
22 allowed and taken on sales shall not be included. Sales price shall not include the
23 amount charged for labor or services rendered in installing, applying, remodeling,
24 or repairing property sold if that charge is separately billed to the customer at the
25 time of the sale.

26 * * *

27 (16)

28 * * *

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1 (d) The term "tangible personal property" shall not include work products
 2 which are written on paper, stored on magnetic or optical media, or transmitted by
 3 ~~electronic device~~ electronically, when such work products are created in the normal
 4 course of business by any person licensed or regulated by the provisions of Title 37
 5 of the Louisiana Revised Statutes of 1950, unless such work products are duplicated
 6 without modification for sale to multiple purchasers. This exclusion shall not apply
 7 to work products which consist of the creation, modification, updating, or licensing
 8 of computer software.

9 * * *

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

22 (ii) The term "use" applies to the first act within this state by which the
 23 taxpayer, as a consumer, views, accesses, downloads, possesses, stores, opens,
 24 manipulates, or otherwise enjoys, uses, or receives the benefits of a digital product,
 25 prewritten computer access service, or information service. Use includes access and
 26 use of digital products, prewritten computer access services, and information
 27 services that remain in the possession of the dealer or in the possession of a third
 28 party on behalf of the dealer.

29 * * *

1 (c)(i) Notwithstanding any other provision of law to the contrary, and except
2 as provided in Item (ii) of this Subparagraph, for purposes of state and political
3 subdivision sales and use tax, "use" means and includes the exercise of any right or
4 power over tangible personal property or digital products incident to the ownership
5 thereof.

6 * * *

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

11 * * *

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

21 * * *

22 (ix) Digital products, including but not limited to software, music, video,
23 reading materials, or ring tones.

24 * * *

25 §301.1. Telecommunications and ancillary services

26 * * *

27 F.(1) Local political subdivisions shall be prohibited from levying a sales
28 and use tax on telecommunications services not in effect on July 1, 1990. However,
29 the provisions of this Paragraph shall not be construed to prohibit the levy or

1 collection of any franchise, excise, gross receipts, or similar tax or assessment by any
2 political subdivision of the state as defined in Article VI, Section 44 of the
3 Constitution of Louisiana.

4 (2) There is hereby levied an additional state sales and use tax upon all
5 telecommunications services, cable television services, direct-to-home satellite
6 services, video programming services, provided by cable television and satellite
7 service providers, and satellite digital audio radio services in this state, at the rate of
8 five percent of the amounts paid or charged for such services.

9 (3) The tax levied pursuant to this Subsection shall be paid in lieu of any
10 sales or use tax that would otherwise be levied and collected by a political
11 subdivision of this state.

12 (4) The taxes levied pursuant to this Subsection shall be administered and
13 collected by the secretary of the Department of Revenue. The secretary shall assess
14 an administration and collection fee, not to exceed one percent of the collections of
15 the tax, as reimbursement for the actual cost of collection of the tax.

16 (5) The tax levied in this Subsection shall be collected from the dealer, as
17 defined in this Chapter, shall be paid at the time and in the manner hereinafter
18 provided, and shall be in addition to all other taxes, whether levied in the form of
19 excise, license, or privilege taxes, and shall be in addition to taxes levied pursuant
20 to the provisions of Chapter 3 of this Subtitle.

21 (6) After allocation to the Bond Security and Redemption Fund as provided
22 in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall
23 deposit in and credit to the Local Revenue Fund the avails of the taxes collected
24 under this Subsection.

25 * * *

26 §301.3. Services

27 The sales and use tax levied by any taxing authority shall apply to the
28 following services:

29 * * *

1 (7)(a) Repairs and maintenance of tangible personal property. Repairs and
2 maintenance include but are not limited to the repair and servicing of automobiles,
3 vehicles, boats and vessels, electrical and mechanical appliances and equipment,
4 farm machinery and implements, motors, tires, batteries, engineering instruments,
5 medical and surgical instruments, machinery, mechanical tools, shop equipment,
6 furniture, rugs, ~~flooring~~, watches, clocks, jewelry, refrigerators, phones, televisions,
7 radios, shoes, including shoe shining, and office appliances and equipment. This
8 includes service calls and trip or travel charges.

9 * * *

10 (10)(a) The providing of information services. For purposes of this
11 Paragraph, information services means electronic data retrieval or research; and
12 collecting, compiling, analyzing, or furnishing of information of any kind, including
13 but not limited to general or specialized news, other current information or financial
14 information, by printed, mimeographed, electronic, or electrical transmission, or by
15 utilizing wires, cable, radio waves, microwaves, satellites, fiber optics, or any other
16 method now in existence or which may be devised; this includes delivering or
17 providing access to information through databases or subscriptions. Information
18 services include but are not limited to:

19 (i) Furnishing newsletters; tax guides; research publications; financial,
20 investment, circulation, credit, stock market, or bond rating reports; mailing lists;
21 abstracts of title; news clipping services; wire services; scouting reports; surveys;
22 bad check lists; and broadcast rating services.

23 (ii) Subscriptions to genealogical, financial, or similar databases.

24 (iii) ~~Solely for purposes of state sales and use taxes, cable television services,~~
25 ~~direct-to-home satellite services, video programming services, and satellite digital~~
26 ~~audio radio services.~~

27 (iv) Global positioning system services including driving directions and
28 sports, news, and similar information ~~provided through satellite audio programming~~
29 services.

1 (iv) Global positioning system services including driving directions and
2 sports, news, and similar information provided through satellite audio programming
3 services.

4 * * *

5 (11) Solely for purposes of state sales and use taxes, cable television
6 services, direct-to-home satellite services, video programming services provided by
7 cable television and satellite service providers, and satellite digital audio radio
8 services.

9 * * *

10 §305. Exemptions from the tax

11 * * *

12 E. The sale of the following services shall be exempt from the sales and use
13 tax imposed by any taxing authority:

14 * * *

15 (4) Charges for the furnishing of repairs to tangible personal property when
16 the repaired property is delivered to a common carrier or to the United States Postal
17 Service for transportation outside the state or delivered outside the state by use of the
18 repair dealer's own vehicle or by use of an independent trucker. However, the
19 delivery of aircraft may be made by the best available means. Offshore areas shall
20 not be considered another state for the purposes of this Paragraph.

21 * * *

22 L. The lease or rental of motor vehicles by licensed motor vehicle dealers,
23 as defined in R.S. 32:1252(35) or vehicle manufacturers as defined in R.S.
24 32:1252(24), for their use in furnishing leased or rented motor vehicles to their
25 customers in performance of their obligations under warranty agreements associated
26 with the purchase of a motor vehicle or when the applicable warranty has lapsed and
27 the leased or rented motor vehicle is provided to the customer at no charge shall be
28 exempt from sales and use taxes levied by any taxing authority.

29 * * *

1 §305.2. Exemption; medical

2 A. The following items shall be exempt from the sales and use tax imposed
3 by the state:

4 * * *

5 (5) The tax imposed by R.S. 47:302(A) and 321 shall not apply to the sale
6 at retail, the use, the consumption, the distribution, and the storage of insulin, both
7 prescription and nonprescription to be used or consumed in this state, for personal
8 use or consumption; provided, however, that this exemption shall apply only to sales
9 taxes imposed by the state of Louisiana and shall not apply to such taxes authorized
10 and imposed by any school board, municipality, or other local taxing authority
11 notwithstanding any other provision of law to the contrary, ~~specifically but not~~
12 ~~exclusively R.S. 33:2716.1.1.~~

13 * * *

14 §305.6. Exemptions; schools and educational materials

15 The sales and use tax imposed by taxing authorities shall not apply to:

16 (1) The purchase, lease, or rental of educational ~~Educationa~~l materials or
17 equipment used for classroom instruction by approved parochial and private
18 elementary and secondary schools which comply with the court order from the Dodd
19 Brumfield decision and Section 501(c)(3) of the Internal Revenue Code, limited to
20 books, workbooks, computers, computer software, films, videos, and audio tapes.

21 * * *

22 (5) The sale of admissions to athletic and entertainment events held for or
23 by public, parochial, and private elementary and secondary schools.

24 * * *

25 §305.7. Exclusions and exemptions; intergovernmental; government

26 A.

27 * * *

28 (2) Any ~~municipal corporation, parish, sewerage, or water district~~ private
29 nonprofit company that enters into a contract with a ~~private nonprofit company~~

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1 municipal corporation, parish, sewerage, or water district to construct or operate a
2 sewerage or wastewater treatment facility shall be exempt from the same sales tax
3 as the municipal corporation, parish, sewerage, or water district.

4 * * *

5 §305.12. Exemptions; software and digital products; business use; healthcare use

6 * * *

7 D. The sales and use tax imposed by taxing authorities shall not apply to
8 computer software or prewritten computer software access services, information
9 services, or digital products that are used by licensed healthcare facilities and
10 providers for storing or transmitting healthcare information or for the diagnosis or
11 treatment of a medical condition.

12 * * *

13 §305.14. Exemptions; nonprofit organizations; nature of exemption; limitations;
14 qualifications; determination of tax exempt status

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

24 (2) The exemption provided in this Section shall not apply to any event
25 intended to yield a profit to the promoter or to any individual contracted to provide
26 services or equipment, or both, for the event.

1 (3) This Section shall not be construed to exempt any organization or activity
2 from the payment of sales or use taxes otherwise required by law to be made on
3 purchases made by these organizations.

4 (4) This Section shall not be construed to exempt regular commercial
5 ventures of any type such as bookstores, restaurants, gift shops, commercial flea
6 markets, and similar activities that are sponsored by organizations qualifying
7 hereunder which are in competition with retail merchants.

8 B. The sponsorship of any event by any organization applying for an
9 exemption pursuant to this Section must be genuine. Sponsorship shall not be
10 considered genuine in any case in which exemption from taxation is a major
11 consideration leading to the sponsorship.

12 C.(1) An annual exemption certificate shall be obtained from the secretary
13 of the Department of Revenue pursuant to regulations the secretary shall prescribe,
14 in order for nonprofit organizations to qualify for the exemption provided in this
15 Section. Any event held pursuant to the annual exemption certificate shall be subject
16 to review for compliance with the provisions of law and regulations governing this
17 exemption.

18 (2) In the event the secretary of the Department of Revenue denies tax
19 exempt status pursuant to this Section, the organization may appeal the ruling to the
20 Board of Tax Appeals, which may overrule the secretary and grant tax exempt status
21 if the Board of Tax Appeals determines that the denial of tax exempt status by the
22 collector of revenue was arbitrary, capricious, or unreasonable.

23 (3) However, any organization that endorses any candidate for political
24 office or otherwise is involved in political activities shall not be eligible for the
25 exemption provided in this Section.

26 D. Notwithstanding any other provision of law to the contrary, the proper
27 venue in any proceeding to determine the tax exempt status pursuant to the
28 provisions of this Section shall be the parish in which the activity for which the tax

1 exempt status is claimed took place, or any parish in which the taxpayer has a
2 corporate presence, to be determined at the discretion of the taxpayer.

3 * * *

4 §305.21. Exemption; sickle cell disease organizations

5 A. The sale at retail, the rental or lease, the use, the consumption, the
6 distribution, and the storage for use or consumption in this state of each item or
7 article of tangible personal property, digital products, or any taxable service, by a
8 nonprofit organization established prior to 1975 which conducts a comprehensive
9 program on sickle cell disease which includes but is not limited to free education,
10 free testing, free counseling, and free prescriptions, transportation, and food
11 packages for sickle cell patients shall be exempt from sales and use taxes levied by
12 any taxing authority.

13 B.(1) An exemption certificate shall be obtained from the secretary, in
14 accordance with regulations prescribed by him, in order for a nonprofit organization
15 to qualify for the exemption provided in this Section.

16 (2) If the secretary denies tax exempt status pursuant to this Section, the
17 organization may appeal the ruling to the Board of Tax Appeals which may overrule
18 the secretary and grant tax exempt status to the organization.

19 §305.22. Exemption; Habitat for Humanity

20 The sale of construction materials to Habitat for Humanity affiliates shall be
21 exempt from sales and use taxes imposed by any taxing authority when the materials
22 are used in constructing new residential dwellings in this state.

23 * * *

24 §305.33. Exclusions and exemptions; certain sales at cultural events

25 A. The sales of tangible personal property at an event providing Louisiana
26 heritage, culture, crafts, art, food, and music which is sponsored by a domestic
27 nonprofit organization that is exempt from tax ~~under~~ pursuant to Section 501(c)(3)
28 of the Internal Revenue Code shall be exempt from sales and use taxes levied by the
29 state. The provisions of this Section shall apply only to an event which transpires

1 over a minimum of seven but not more than twelve days and has a five-year annual
 2 average attendance of at least three hundred thousand over the duration of the event.
 3 For purposes of determining the five-year annual average attendance, the calculation
 4 shall include the total annual attendance for each of the five most recent years. The
 5 provisions of this Subsection shall apply only to sales by the sponsor of the event.

6 B. Admission charges for, outside gate admissions to, or parking fees
 7 associated with an event providing Louisiana heritage, culture, crafts, art, food, and
 8 music which is sponsored by a domestic nonprofit organization that is exempt from
 9 tax ~~under~~ pursuant to Section 501(c)(3) of the Internal Revenue Code shall be
 10 exempt from sales and use taxes levied by the state. The provisions of this
 11 Subsection shall apply only to an event which transpires over a minimum of seven
 12 but not more than twelve days and has a five-year annual average attendance of at
 13 least three hundred thousand over the duration of the event. For purposes of
 14 determining the five-year annual average attendance, the calculation shall include the
 15 total annual attendance for each of the five most recent years. The provisions of this
 16 Subsection shall apply only to admission charges for, outside gate admissions to, or
 17 parking fees associated with an event when the charges and fees are payable to or for
 18 the benefit of the sponsor of the event.

19 * * *

20 §305.36. Exclusions and exemptions; motor vehicles

21 A. ~~Solely for purposes of the~~ The sales and use tax levied by ~~the state, such~~
 22 ~~tax imposed by R.S. 47:302(A), R.S. 47:321(A), and R.S. 47:331(A)~~ any taxing
 23 authority shall not apply to the sale at retail, the purchase, lease, or the importation
 24 of motor vehicles, trailers, or semitrailers as defined by R.S. 47:451 that will be
 25 stored, used, or consumed in this state exclusively for lease or rental, provided that
 26 the gross proceeds derived from the lease or rental of the property not previously
 27 taxed shall be at reasonable market rates. If the secretary of the Department of
 28 Revenue or a local taxing authority finds that any person who has purchased, used,
 29 or imported motor vehicles, trailers, or semitrailers tax free under this Subsection has

1 subsequently leased or rented motor vehicles, trailers, or semitrailers in transactions
2 not at arms length at below market rates, the secretary shall presume that the person
3 was not entitled to claim the exemption provided herein, and the burden shall be on
4 that person to prove otherwise.

5 B. A person who has acquired or used property ~~under~~ pursuant to this
6 Section without payment of the tax ~~imposed by R.S. 47:302(A), R.S. 47:321(A), and~~
7 ~~R.S. 47:331(A)~~ shall be construed to be in the business of leasing, renting, or selling
8 such property, whether or not the lessees have the right or obligation to purchase the
9 tangible personal property or will otherwise acquire title to the property at
10 termination of the lease. Therefore, a transaction entered into that is entitled lease,
11 rental, lease-purchase, or similar name which for purposes other than state sales
12 taxation might be considered a conditional sales contract or transaction in lieu of
13 sale, shall be deemed for state sales tax purposes to be a taxable lease. The monthly
14 or other periodic payments made ~~under~~ pursuant to the agreement shall be subject
15 to the tax imposed by ~~R.S. 47:302(B), R.S. 47:321(B), and R.S. 47:331(B)~~ all taxing
16 authorities. These persons shall not be allowed to make an isolated or occasional
17 non-retail sale of the property ~~under R.S. 47:301(1) or R.S. 47:301(10)~~ pursuant to
18 R.S. 47:305(A).

19 C.(1) No person shall be entitled to purchase, use, or import motor vehicles,
20 trailers, or semitrailers, under this Section without payment of the tax imposed by
21 ~~R.S. 47:302(A), R.S. 47:321(A), and R.S. 47:331(A)~~ any taxing authority before
22 having received an exemption number or certificate from the secretary of the
23 Department of Revenue authorizing him to engage in the business of purchasing,
24 using, or importing motor vehicles.

25 * * *

26 §305.64. Exemption; qualifying radiation therapy treatment centers

27 A.(1) The sales and use tax imposed by any taxing authority shall not apply
28 to the amount paid by qualifying radiation therapy treatment centers for the purchase,
29 lease, or repair of capital equipment and the purchase, lease, or repair of software

1 used to operate capital equipment.

2 (2) For purposes of this Section, the following words shall have the following
3 meanings unless the context clearly indicates otherwise:

4 (a) "Capital equipment" shall mean tangible personal property eligible for
5 depreciation for federal income tax purposes that is used in the diagnosis or
6 treatment of cancer patients. Capital equipment shall include, but shall not be
7 limited to linear accelerators, PET/CT scanners, imaging devices, and software
8 necessary to operate capital equipment. In the case of the Biomedical Research
9 Foundation in Shreveport, "capital equipment" shall mean a PET/CT scanner and
10 related equipment for medical diagnosis and installation of the same.

11 (b) "Qualifying radiation therapy center" shall mean all of the following:

12 (i) A radiation therapy center which is also a nonprofit organization which
13 maintains a joint accreditation with a state university by the Commission on
14 Accreditation of Medical Physics Educational Programs, Inc. (CAMPEP) for a
15 graduate medical physics program and which provides facilities and personnel for
16 use for a joint CAMPEP-accredited graduate medical physics program for research,
17 teaching, and clinical training for graduate students.

18 (ii) The Biomedical Research Foundation in Shreveport, Louisiana.

19 (iii) A radiation therapy facility which, no later than August 1, 2011,
20 employs six or more medical physicists to provide radiation therapy treatment
21 services.

22 (iv) The Willis-Knighton Health System in Shreveport, Louisiana.

23 B. An exemption certificate shall be obtained from the secretary of the
24 Department of Revenue in order for a radiation therapy center to qualify for the
25 exemption provided for in this Section.

26 * * *

1 §305.75. Exemptions; feminine hygiene products and diapers

2 A. The sales and use tax imposed by any taxing authority ~~with those of the~~
3 ~~state~~ shall not apply to the purchase of feminine hygiene products, diapers, or both
4 for individual personal use.

5 * * *

6 §321. Imposition of tax

7 A. In addition to the tax levied by R.S. 47:302(A), 321.1(A), and 331(A) and
8 collected pursuant to the provisions of Chapters 2 and 2-B of this Subtitle, there is
9 hereby levied an additional tax upon the sale at retail, the use, the consumption, the
10 distribution, and the storage for use or consumption in this state of each item or
11 article of tangible personal property or digital product, as defined in Chapter 2 of this
12 Subtitle. The levy of the tax shall be as follows:

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

18 (2) At the rate of one percent of the cost price of each item or article of
19 tangible personal property or digital product ~~except for prepaid calling service and~~
20 ~~prepaid wireless calling service~~ when the same is not sold but is used, consumed,
21 distributed, or stored for use or consumption in this state, provided that there shall
22 be no duplication of the tax.

23 * * *

24 §321.1. Imposition of tax

25 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and
26 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an
27 additional tax upon the sale at retail, the use, the consumption, the distribution, and
28 the storage for use or consumption in this state of each item or article of tangible

1 personal property or digital product as defined in Chapter 2 of this Subtitle. The levy
2 of said tax shall be as follows:

3 (1)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
4 rate of forty-five hundredths of one percent of the sales price of each item or article
5 of tangible personal property or digital product when sold at retail in this state, the
6 tax to be computed on gross sales for the purpose of remitting the amount of tax to
7 the state, and to include each and every retail sale.

8 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
9 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
10 additional tax of fifty-five hundredths of one percent of the sales price of each item
11 or article of tangible personal property or digital product when sold at retail in this
12 state, the tax to be computed on gross sales for the purpose of remitting the amount
13 of tax to the state, and to include each and every retail sale.

14 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
15 hundredths of one percent of the sales price of each item or article of tangible
16 personal property or digital product when sold at retail in this state, the tax to be
17 computed on gross sales for the purpose of remitting the amount of tax to the state,
18 and to include each and every retail sale.

19 (2)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
20 rate of forty-five hundredths of one percent of the cost price of each item or article
21 of tangible personal property or digital product when the same is not sold but is used,
22 consumed, distributed, or stored for use or consumption in this state, provided that
23 there shall be no duplication of the tax.

24 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
25 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
26 additional tax of fifty-five hundredths of one percent of the cost price of each item
27 or article of tangible personal property or digital product when the same is not sold
28 but is used, consumed, distributed, or stored for use or consumption in this state,
29 provided that there shall be no duplication of the tax.

1 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
2 hundredths of one percent of the cost price of each item or article of tangible
3 personal property or digital product when the same is not sold but is used, consumed,
4 distributed, or stored for use or consumption in this state, provided that there shall
5 be no duplication of the tax.

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

11 (1)(a) Except as provided for in Subparagraph (b) of this Paragraph, at the
12 rate of forty-five hundredths of one percent of the gross proceeds derived from the
13 lease or rental of tangible personal property or digital product, as defined in Chapter
14 2 of this Subtitle, where the lease or rental of such property is in an established
15 business, or part of an established business, or the same is incidental or germane to
16 the business.

17 (b) Beginning January 1, 2025, through December 31, 2029, in addition to
18 the tax levied in Subparagraph (a) of this Paragraph, there is hereby levied an
19 additional tax of fifty-five hundredths of one percent of the gross proceeds derived
20 from the lease or rental of tangible personal property or digital product, as defined
21 in Chapter 2 of this Subtitle, where the lease or rental of such property is in an
22 established business, or part of an established business, or the same is incidental or
23 germane to the business.

24 (c) Beginning January 1, 2030, there is hereby levied a tax of seventy-five
25 hundredths of one percent of the gross proceeds derived from the lease or rental of
26 tangible personal property or digital product, as defined in Chapter 2 of this Subtitle,
27 where the lease or rental of such property is in an established business, or part of an
28 established business, or the same is incidental or germane to the business.

1 Section 3. R.S. 47:301.6(B) and (C) and 337.11.4 are hereby repealed in their
2 entirety.

3 Section 4. To claim a refund of sales tax paid on transactions exempted pursuant to
4 this Act, a taxpayer shall first request a refund from the vendor who charged and collected
5 the sales tax. Vendors may then claim a refund from the secretary upon evidence that the
6 sales tax has been refunded to the taxpayer. If a taxpayer is unable to obtain a refund from
7 the vendor, the taxpayer may then claim a refund from the secretary. No interest on refunds
8 shall accrue or be paid by the secretary on transactions exempted pursuant to this Act. This
9 Section shall only apply to sales which occurred between January 1, 2025, and the effective
10 date of this Act.

11 Section 5. During the 2024 Third Extraordinary Session, Act Nos. 10 and 11
12 amended and reenacted R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(ix),
13 301.1(F), 305.33, 321(A), 321.1(A) and (B), and 331(A) and (B). It is the intent of the
14 Legislature that R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F),
15 305.33, 321(A), 321.1(A) and (B), and 331(A) and (B) as amended and reenacted by this
16 Act shall control. The Louisiana State Law Institute is hereby directed to print the provisions
17 of R.S. 47:301(3)(a), (10), (13)(a), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F), 305.33,
18 321(A), 321.1(A) and (B), and 331(A) and (B) as they appear in this Act and to no longer
19 print those provisions as they appear in Act Nos. 10 and 11 of the 2024 Third Extraordinary
20 Session.

21 Section 6. The provisions of this Act shall be applicable to taxable periods beginning
22 on or after January 1, 2025.

23 Section 7. This Act shall become effective upon signature by the governor or, if not
24 signed by the governor, upon expiration of the time for bills to become law without signature
25 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
26 vetoed by the governor and subsequently approved by the legislature, this Act shall become
27 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 578 Engrossed

2025 Regular Session

Emerson

Abstract: Provides for state and local sales and use tax.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property and digital products 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%

Present law provides for the reduction in the state sales tax rate from 5% to 4.75% beginning Jan. 1, 2030.

Proposed law retains present law.

Present law requires the treasurer to deposit in and credit 0.3% of the avails of the 1% state sales tax levied pursuant to R.S. 47:331 for purposes of assisting the state in the promotion of tourism.

Proposed law changes the amount of the dedication to the promotion of tourism from 0.3% of the avails of the 1% state sales tax levied pursuant to R.S. 47:331 to 3% of the avails of the 1% state sales and use tax levied pursuant to R.S. 47:331.

Present law defines a "dealer" as every person who manufactures or produces tangible personal property or digital products for sale at retail, for use, or consumption, or distribution, or for storage to be used or consumed in a taxing jurisdiction. "Dealer" also includes any person who sells for delivery into La. tangible personal property, products transferred electronically, or services, and who does not have a physical presence in La., if during the previous or current calendar year the person's gross revenue for sales delivered into this state exceeded \$100,000 from sales of tangible personal property, products transferred electronically, or services.

Proposed law retains present law but adds digital products to the items that a person sells or delivers into this state by persons who do not have a presence in La. and adds digital products to the sales or transfers that are used in calculating the \$100,000 sales threshold.

Present law provides that state and local sales taxes apply to repairs and maintenance of tangible personal property including the repair and servicing of items such as automobiles, vehicles, boats and vessels, electrical and mechanical appliances and equipment, furniture, rugs, flooring, watches, clocks, jewelry, and refrigerators.

Proposed law retains present law but removes flooring from the list of services subject to state and local sales and use tax.

Present law provides that sales taxes of *any taxing authority* shall apply to the providing of information services including cable television services, direct-to-home satellite services, video programming services, and satellite digital audio radio services, and global positioning system services including driving directions and sports, news, and similar information provided through satellite audio programming services.

Proposed law changes present law by providing that cable television services, direct-to-home satellite services, video programming services provided by cable television and satellite service providers, and satellite digital audio radio services shall only be subject to *state* sales tax.

Proposed law exempts charges for repairs to tangible personal property when the repaired property is delivered to a common carrier or to the U.S. Postal Service for transportation outside the state or delivered outside the state by use of the repair dealer's own vehicle or by use of an independent trucker from sales taxes from any taxing authority. Proposed law further provides that the delivery of aircraft may be made by the best available means and offshore areas shall not be considered another state for the purposes of this exemption.

Proposed law exempts the lease or rental of motor vehicles by licensed motor vehicle dealers or vehicle manufacturers for their use in furnishing leased or rented motor vehicles to their customers in performance of their obligations under warranty agreements associated with the purchase of a motor vehicle or when the applicable warranty has lapsed and the leased or rented motor vehicle is provided to the customer at no charge from sales taxes of any taxing authority.

Present law exempts educational materials or equipment used for classroom instruction by approved parochial and private elementary and secondary schools from the sales and use tax imposed by taxing authorities. Further exempts the sale of admissions to athletic and entertainment events held for or by parochial, and private elementary and secondary schools.

Proposed law retains present law but adds the purchase, lease, or rental of educational materials to the items exempted from sales and use tax. Further extends the exemption for admissions to athletic and entertainment events held at schools to include public schools.

Present law provides that any municipal corporation, parish, sewerage, or water district that enters into a contract with a private nonprofit company to construct or operate a sewerage or wastewater treatment facility shall be exempt from the same sales tax as the municipal corporation, parish, sewerage, or water district.

Proposed law changes present law to provide that any private nonprofit company that enters into a contract with a municipal corporation, parish, sewerage, or water district to construct or operate a sewerage or wastewater treatment facility shall be exempt from the same sales tax as the municipal corporation, parish, sewerage, or water district.

Present law exempts digital products used by licensed healthcare facilities and providers for storing or transmitting healthcare information or for the diagnosis or treatment of a medical condition from sales taxes imposed by taxing authorities.

Proposed law retains present law but extends the sales tax exemption to computer software or prewritten computer software access services used by licensed healthcare facilities and providers for storing or transmitting healthcare information or for the diagnosis or treatment of a medical condition.

Proposed law adds exemptions from sales taxes imposed by taxing authorities for the following:

- (1) Admission charges for, outside gate admissions to, or parking fees associated with, events sponsored by domestic, civic, educational, historical, charitable, fraternal, or

religious organizations, which are nonprofit, when the entire proceeds, except for necessary expenses are used for educational, charitable, religious, or historical restoration purposes. (R.S. 47:305.14)

- (2) Purchases by a nonprofit organization which conducts a comprehensive program on sickle cell disease which includes free education, free testing, free counseling, and free prescriptions, transportation, and food packages for sickle cell patients. (R.S. 47:305.21)
- (3) Sales of construction materials for Habitat for Humanity. (R.S. 47:305.22)
- (4) Purchases by qualifying radiation therapy treatment centers for or software used to operate capital equipment. (R.S. 47:305.64)

Present law provides for a state sales and use tax exemption for the sale, purchase, lease, or the importation of motor vehicles, trailers, or semitrailers as defined in present law stored, used, or consumed in this state exclusively for lease or rental, provided that the gross proceeds derived from the lease or rental of the property not previously taxed shall be at reasonable market rates.

Proposed law retains present law but extends the exemption to local sales and use taxes thereby making the exemption applicable to taxes levied by all taxing authorities.

Proposed law authorizes a taxpayer to claim a refund of sales tax paid on sales transactions which occurred between Jan. 1, 2025, and the effective date of proposed law that are exempted pursuant to proposed law. In these cases, the taxpayer shall first request a refund from the vendor who charged and collected the sales tax. Vendors may then claim a refund from the secretary upon evidence that the sales tax has been refunded to the taxpayer. If a taxpayer is unable to obtain a refund from the vendor, the taxpayer may then claim a refund from the secretary. No interest on refunds shall accrue or be paid by the secretary on transactions exempted pursuant to proposed law. This Section shall only apply to.

Proposed law shall be applicable to taxable periods beginning on or after Jan. 1, 2025.

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

(Amends R.S. 47:301(3)(a), (4)(k)(i), (10), (13)(a), (16)(d), (18)(a) and (c)(i), and (27)(x)(ix), 301.1(F), 301.3(7)(a) and (10)(a), 305.2(A)(5), 305.6(1) and (5), 305.7(A)(2), 305.12(D), 305.33, 305.36(A), (B), and (C)(1), 305.75(A), 321(A), 321.1(A), (B), and (C)(2), and 331(A) and (B) and R.S. 51:1286(A); Adds R.S. 47:301.3(11), 305(E)(4) and (L), 305.14, 305.21, 305.22, and 305.64; Repeals R.S. 47:301.6(B) and (C) and 337.11.4)

Summary of Amendments Adopted by House

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

1. Remove provisions in proposed law relative to prohibiting fees or taxes from being imposed or levied on nongaming incentives or inducements granted by a licensee to a patron on a complimentary basis.
2. Remove the repeal of the provisions of present law relative to lease agreements for the rental of certain trucks and trailers wherein the lessor is authorized to retain taxes collected on these leases.
3. Extend the sales tax exemption for digital products used by licensed healthcare facilities and providers for storing or transmitting healthcare information or for the diagnosis or treatment of a medical condition to computer software or prewritten computer software access services.
4. Make technical changes.