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## DIGEST

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HB 666 Original

2025 Regular Session

Riser

**Abstract:** Reduces rates of tax on individual, corporate, estate, and trust income; imposes sales and use tax on certain services; and provides for additional state sales tax in lieu of local sales tax on newly taxable services.

### Income Tax

Proposed law reduces the individual income tax rate from 3% to 2.9%.

Proposed law reduces the corporation income tax rate from 5.5% to 5.4%.

Proposed law reduces the tax rate on the income of estates and trusts from 3% to 2.9%.

### Sales and Use Tax

Present law imposes a state sales and use tax of 5% upon the sale, use, lease, or rental of tangible personal property and upon the sale of certain services.

Present law provides that 10 types of services, as delineated in present law, are subject to the sales and use tax of both state and local taxing authorities.

Proposed law adds all of the following as taxable services but provides that only the state sales and use tax, and no local sales and use taxes, shall apply to them:

- (1) 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.
- (2) Cleaning, waxing, polishing, and detailing of tangible personal property.
- (3) Installing, repairing, and maintaining taxable computer software and associated training and hosting.
- (4) Dating and social matching services.
- (5) Installing, repairing, and maintaining water features, such as pools, hot tubs, and spa baths.

- (6) Intrastate vehicle transportation services, including rideshare.
- (7) Lobbying and similar consulting services.
- (8) Photography, photofinishing, film development, and photographic studio services, including sitting fees.
- (9) Embroidery and monogramming services.
- (10) Security services including locksmith, security and alarm system monitoring, private investigation, background checks, transportation or delivery of money, property, or valuables by armored car, security, protection, and bodyguard services.
- (11) Spa services.
- (12) Skin tanning and body modification services including tanning booths, tanning bed services, spray tanning, tattooing, piercing, scarification, and branding.
- (13) Travel and travel package services including services of travel agents and travel clubs.

Proposed law defines terms pertaining to the newly taxable services established by proposed law.

Proposed law levies an additional 5% state sales tax on the services enumerated above, all of which are exempt from local sales tax, making the state sales tax rate 10% on these services. Dedicates the avails of the additional 5% state sales tax to the Local Revenue Fund established by proposed law.

### **Local Revenue Fund**

Proposed law establishes the Local Revenue Fund as a special fund in the state treasury. Requires that monies in the fund be used solely for distribution to ad valorem tax recipient bodies within a parish to offset losses attributable to business inventory exemptions to the ad valorem tax granted by a parish.

### **Tax Administration**

Proposed law requires that, for a six-month period specified in proposed law, the secretary of the Dept. of Revenue shall waive certain penalties authorized by present law for failure to make a timely or accurate return when that failure relates to collection or reporting of sales and use tax imposed on a service which was not taxable prior to Jan. 1, 2026. Provides that this waiver shall be in effect for taxable periods beginning Jan. 1, 2026, and ending June 30, 2026. Provides for limited exceptions to the waiver.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 47:32(A), 287.12, 300.1, 300.3(3), 301.1(F), and 301.3; Adds R.S. 39:100.118 and R.S. 47:1603(D))