

2016 First Extraordinary Session

HOUSE BILL NO. 72

BY REPRESENTATIVE SHADOIN

TAX/SALES-USE, STATE: Increases the state sales tax on telecommunications services (Item #24)

1 AN ACT

2 To amend and reenact R.S. 47:301.1(A)(introductory paragraph), 302(C)(2) and 331(C),  
3 relative to state sales and use tax; to provide for the tax on telecommunications  
4 services; to establish the tax rate; 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. 47:301.1(A)(introductory paragraph), 302(C)(2) and 331(C)(1) are  
8 hereby amended and reenacted to read as follows:

9 §301.1. Telecommunications and ancillary services

10 A. The sales and use tax levied by ~~this Chapter~~ by the state under R.S.  
11 47:302(C) and 331(C)(2) shall apply to the sales price of telecommunications  
12 services in accordance with the following sourcing rules:

13 \* \* \*

14 §302. Imposition of tax

15 \* \* \*

16 C.

17 \* \* \*

18 (2) ~~Notwithstanding any provision of law to the contrary, effective on April~~  
19 ~~1, 2016, the tax levied by this Section shall not apply to the furnishing of interstate~~  
20 ~~telecommunications services or international telecommunications services reflected~~

1 on bills submitted by telecommunications service providers to their customers which  
 2 are dated on and after that date, regardless of when such services are provided. In  
 3 addition to the tax levied on the sales of telecommunications services under R.S.  
 4 47:331(C)(2), there is hereby levied a tax upon telecommunications services in  
 5 accordance with the sourcing rules provided in R.S. 47:301.1, to be imposed at a rate  
 6 of four percent of the amount paid or charged for such services as reflected on bills  
 7 submitted by telecommunications service providers to their customers which are  
 8 dated on and after April 1, 2016, regardless of when such services are provided.

9 \* \* \*

10 §331. Imposition of tax

11 \* \* \*

12 C.(+) In addition to the tax levied on sales of services by R.S. 47:302(C) and  
 13 collected under the provisions of Chapter 2 of Subtitle II of this Title, there is hereby  
 14 levied a tax upon all sales of services in this state, as defined by Chapter 2 of Subtitle  
 15 II of this Title, ~~in this state~~, at the rate of ninety-seven one hundredths of one percent  
 16 of the amounts paid or charged for such services.

17 ~~(2)(i) Except as otherwise provided in Subparagraph (ii) of this Paragraph,~~  
 18 ~~the tax levied by this Section shall not apply to the furnishing of interstate~~  
 19 ~~telecommunications services or international telecommunications services, as both~~  
 20 ~~of those terms are defined in Chapter 2 of Subtitle II of this Title.~~

21 ~~(ii) Notwithstanding any provision of law to the contrary, effective~~  
 22 Effective on April 1, 2016, the tax levied by this Section shall apply to the furnishing  
 23 of ~~interstate~~ telecommunications services ~~and international telecommunications~~  
 24 ~~services, as both of those terms as those services~~ are defined in Chapter 2 of Subtitle  
 25 II of this Title, and in accordance with the sourcing rules provided in R.S. 47:301.1.  
 26 The tax shall apply to the amount paid or charged as reflected on bills submitted by  
 27 telecommunications service providers to their customers which are dated on and after  
 28 that date, regardless of when such services are provided.

29 \* \* \*

1 Section 2. This Act shall become effective on April 1, 2016.

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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)]

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HB 72 Original

2016 First Extraordinary Session

Shadoin

**Abstract:** Increases the state sales tax on telecommunications services for intrastate services from 3% to 5%, and for interstate and international services from 2% to 5%.

Present law imposes a state sales tax on telecommunication services, in accordance with sourcing rules and definitions established under present law. The rate imposed on intrastate services is 3%, and the rate for interstate and international services is 2% through March 30, 2016, and decreases to 1% beginning April 1, 2016.

Proposed law changes present law by increasing the rate for all telecommunications services. The rate for intrastate services is increased from 3% to 5%, and the rate for interstate and international services is increased from 2% to 5%.

Effective April 1, 2016.

(Amends R.S. 47:301.1(A)(intro.para.), 302(C)(2) and 331(C))