
DIGEST

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HB 72 Engrossed

2016 First Extraordinary Session

Shadoin

Abstract: Repeals provisions that reduce the tax on interstate and international telecommunications services from 2% to 1% effective April 1, 2016 thereby keeping the rate for these services at 2%.

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 repeals present law providing for the reduction in the tax rate for interstate and international telecommunications from 2% to 1% on April 1, 2016.

Effective April 1, 2016.

(Amends R.S. 47:302(C) and 331(C)(1) and (2))

Summary of Amendments Adopted by House

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

1. Remove rate increase to 5% for all telecommunications services.
2. Remove provision that reduces the tax on interstate and international telecommunications services from 2% to 1% effective April 1, 2016.