

2017 Regular Session

HOUSE BILL NO. 240

BY REPRESENTATIVE BROADWATER

TAX/SALES-USE, ST-EXEMPT: Provides for applicability of the sales and use tax exclusions for certain tangible personal property purchased for lease or rental

1 AN ACT

2 To enact R.S. 47:302(AA)(29), relative to state sales and use tax; to provide with respect to
3 the exclusion for sales or use of certain tangible personal property purchased for
4 lease or rental; to provide for applicability and effectiveness; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:302(AA)(29) is hereby enacted to read as follows:

8 §302. Imposition of tax

9 * * *

10 AA. Notwithstanding any other provision of this Section to the contrary,
11 beginning July 1, 2016, the following specific exclusions and exemptions shall be
12 applicable to the tax levied pursuant to the provisions of this Section:

13 * * *

14 (29) Beginning October 1, 2017, sales and purchases of tangible personal
15 property for lease or rental as provided in R.S. 47:301(10)(a)(iii) and R.S.
16 47:301(18)(a)(iii).

17 Section 2. This Act shall become effective upon signature by the governor or, if not
18 signed by the governor, upon expiration of the time for bills to become law without signature
19 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
20 vetoed by the governor and subsequently approved by the legislature, this Act shall become
21 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 240 Engrossed

2017 Regular Session

Broadwater

Abstract: Provides for effectiveness and applicability of the state sales and use tax exclusion for sales and purchases of tangible personal property for lease or rental.

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

R.S. 47:302 - 2% tax

R.S. 47:321 - 1% tax

R.S. 47:321.1 - 1% tax

R.S. 47:331 - 0.97% tax

R.S. 51:1286 - .03% tax (La. Tourism and Promotion District)

Present law provides for exemptions and exclusions against state sales and use taxes. Further, present law provides for the applicability and effectiveness of certain exclusions and exemptions from the taxes imposed under R.S. 47:302 for the time between July 1, 2016, and June 30, 2018.

Present law provides for an exclusion from all state sales and use taxes for the sale or purchase of tangible personal property for lease or rental, excluding motor vehicles. This exclusion is currently not in effect for the state sales and use taxes imposed under R.S. 47:302.

Proposed law changes present law concerning the effectiveness and applicability of the exclusion for the tangible personal property for lease or rental, by providing that the exclusion is effective and applicable against all state sales and use taxes beginning Oct. 1, 2017.

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

(Adds R.S. 47:302(AA)(29))

Summary of Amendments Adopted by House

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

1. Change effectiveness of the exemption in proposed law from June 1, 2017, to Oct. 1, 2017.