HLS 181ES-92 ORIGINAL

2018 First Extraordinary Session

HOUSE BILL NO. 26

1

BY REPRESENTATIVE DWIGHT

TAX/SALES-USE, STATE: Provides with respect to the state sales and use tax rate (Item #7)

AN ACT

2 To amend and reenact R.S. 47:321.1(A) through (C), and to repeal R.S. 47:321.1(E), relative 3 to state sales and use taxes; to provide for the tax rate; to repeal sunset provisions for 4 a tax levy; to provide for effectiveness; and to provide for related matters. 5 Be it enacted by the Legislature of Louisiana: 6 Section 1. R.S. 47:321.1(A) through (C) are hereby amended and reenacted to read 7 as follows: 8 §321.1. Imposition of tax 9 A. In addition to the tax levied by R.S. 47:302(A), 321(A), and 331(A) and 10 collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied an 11 additional tax upon the sale at retail, the use, the consumption, the distribution, and 12 the storage for use or consumption in this state of each item or article of tangible 13 personal property as defined in Chapter 2 of this Subtitle. The levy of said tax shall 14 be as follows: 15 (1) At the rate of one quarter of one percent of the sales price of each item 16 or article of tangible personal property 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.

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

| 1 | (2) At the rate of <u>one quarter of</u> one percent of the cost price of each item or |
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| 2 | article of tangible personal property when the same is not sold but is used, consumed, |
| 3 | distributed, or stored for use or consumption in this state, provided that there shall |
| 4 | be no duplication of the tax. |
| 5 | B. In addition to the tax levied by R.S. 47:302(B), 321(B), and 331(B) and |
| 6 | collected under the provisions of Chapter 2 of this Subtitle, there is hereby levied a |
| 7 | tax upon the lease or rental within this state of each item or article of tangible |
| 8 | personal property, as defined by Chapter 2 of this Subtitle; the levy of the tax to be |
| 9 | as follows: |
| 10 | (1) At the rate of <u>one quarter of</u> one percent of the gross proceeds derived |
| 11 | from the lease or rental of tangible personal property, as defined in Chapter 2 of this |
| 12 | Subtitle, where the lease or rental of such property is in an established business, or |
| 13 | part of an established business, or the same is incidental or germane to the business. |
| 14 | (2) At the rate of <u>one quarter of</u> one percent of the monthly lease or rental |
| 15 | price paid by a lessee or rentee, or contracted or agreed to be paid by a lessee or |
| 16 | rentee to the owner of the tangible personal property. |
| 17 | C. In addition to the tax levied on sales of services by R.S. 47:302(C), |
| 18 | 321(C), and 331(C) and collected under the provisions of Chapter 2 of this Subtitle, |
| 19 | there is hereby levied a tax upon all sales of services in this state, as those services |
| 20 | are defined by Chapter 2 of this Subtitle, at the rate of one quarter of one percent of |
| 21 | the amounts paid or charged for the services. |
| 22 | * * * |
| 23 | Section 2. R.S. 47:321.1(E) is hereby repealed in its entirety. |
| 24 | Section 3. This Act shall become effective on July 1, 2018. |

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 26 Original

2018 First Extraordinary Session

Dwight

Abstract: Makes the temporary state sales and use tax permanent and reduces the rate $\underline{\text{from}}$ 1% to 0.25%

<u>Present law</u> imposes a 1% state sales and use tax on the sale, use, consumption, storage, or lease of tangible personal property and certain services in La. The imposition of the tax expires on June 30, 2018.

<u>Proposed law</u> changes present law by reducing the rate of the tax <u>from 1% to 0.25%</u>, and removes the sunset of the tax, making imposition of the 0.25% tax permanent.

(Amends R.S. 47:321.1(A) through (C); Repeals R.S. 47:321.1(E))